

SATURDAY NIGHT

THE CANADIAN ILLUSTRATED WEEKLY

Vol. 53, No. 13

Three Sections

TORONTO, CANADA, JANUARY 29, 1938

Established A.D. 1887

10 Cents

THE FRONT PAGE

THE announcement that the license fee for radio receiving sets will be raised to \$2.50 and will be applied also to second sets in the same ownership, which have hitherto been free, should assure the Canadian Broadcasting Corporation of a substantial increase of revenue towards meeting the increased cost of its high-power stations and its far-flung wire connections. We earnestly hope that when this matter comes up for discussion in Parliament the announcement will be supplemented by an undertaking that the Corporation shall desist immediately from renting its facilities for the transmission of commercial broadcasts originated in a foreign country.

The credit which has enabled the Corporation to possess itself of the high-power stations and wire connections now being employed for this purpose is the credit of the government of Canada. It was placed at the disposal of the Corporation for one predominant purpose, the purpose of keeping the air-waves of Canada from being cluttered up with foreign broadcasts. If it had ever occurred to anybody that the facilities acquired by the CBC with this credit would be employed for the promotion in Canada of the very thing which it was created to discourage, we do not think that that credit would ever have been extended. There was no need for a government-backed and tax-financed organization to do what was already being done too efficiently by private enterprise.

WE SHOULD object just as much, on principle, to this surrender of the CBC facilities to foreign use, if it were confined to the least valuable hours of the broadcasting day and left all the more valuable hours to Canadian uses. But the exact opposite is the case. The foreign advertising broadcasts now being piped over the CBC network are the most expensive radio productions on the continent, and are carefully timed to occupy the few hours which possess the maximum radio value; no other time would justify their cost. It is in no sense a safeguarding policy for Canadian radio, to put on Canadian productions at times when listeners are counted by the hundred, and to disseminate American productions when they are counted by the tens of thousands. These are precisely the hours when the Canadian Broadcasting Corporation, if it is to do what it was created to do, should be putting on the air the best and most attractive Canadian programs it can book or organize. By its present policy it is excluding from its immense string of Canadian stations every potential Canadian broadcast, commercial or "sustaining," private or Corporation-organized, at the very times when such a broadcast would have the best chance of a worthwhile coverage. Apart altogether from the public-interest programs of the Corporation itself, a Canadian advertising program seeking nation-wide network facilities would under present conditions find most of the good time unavailable for its purposes, and the Corporation would obviously urge its promoter to accept a second-rate hour, for the simple reason that the CBC can get the American broadcasts only at the hour at which they are offered, and if not taken then they cannot be had at all.

THE LARK'S IN THE SKY

SIR JAMES JEANS, the eminent astrophysicist, has reported to the Calcutta Scientific Congress that the sun will continue to shine for 15,000,000,000 more years. We did not know that Sir James had been looking into the matter, but we are relieved to learn that he has been and that his computations are of such a reassuring character. Man has enough to bother about now, what with wars and revolutions and the increased price of his morning newspaper. It would be something like the last straw to hear that the sun as well was getting ready to go off the deep end. We hesitate to think what we would have done if Sir James informed us that the sun would throw up the sponge in about 10,000,000,000 years. But thank heaven, it is prepared to carry on for 5,000,000,000 additional years and this without asking in return indemnities, reimbursements or favors of any kind. It is the most encouraging thing we have heard so far in this new year and has left us trembling with the hope that perhaps there is a benign influence at work in human affairs after all.

OBJECTING PROVINCES

THE Provinces of Quebec, Alberta and New Brunswick are unsympathetic—that is, their Governments are—to the proposal of the Dominion Government that the Provinces should surrender their legislative powers about unemployment insurance to the national Parliament. If their attitude is correctly represented by their supporter, the *Montreal Gazette*, it is an entirely illogical attitude. The *Gazette* complains that the Provinces are being asked to decide on the transfer of legislative power "without obtaining concurrently any information as to the precise character and scope of the insurance legislation itself." This can only mean that the Provinces in question desire to dictate the terms of legislation to be enacted by another authority under the powers which they will have surrendered to it. They want to give up their powers and keep them at the same time. It is not only illogical but it cannot be done.

Even if the Dominion Government submitted the draft of the bill which it would introduce if the transfer of powers were effected, it could not bind itself to get that exact bill passed, to say nothing of keeping it from being amended in subsequent sessions. The Provinces must make up their own minds, either to retain both the constitutional power and



"WHERE THE SMOKY RIVER JOINS THE PEACE." A study by "Jay" of the junction of the two great rivers of the Peace River country, made during his tour of Western Canada which concluded this week.

the responsibility, or to allow both the power and the responsibility to pass to the Dominion.

The *Gazette's* defence of the Duplessis alternative, namely conditional legislation by the Dominion plus enabling legislation by the Provinces, is equally lame; and indeed the *Gazette's* whole position on this matter is so illogical that, knowing it to be a highly intelligent paper, we are forced to conclude that it is concerned not so much to make a sound case as to keep unemployment insurance among the impossibilities—a perfectly legitimate objective if legitimately pursued. The objection to the concurrent legislation method is that it requires the continuous agreement of two totally independent authorities, Parliament and the Legislature, and that whenever they disagree the whole business—for whose success permanency is indispensable—comes to an end. It is no answer to say, as Mr. Duplessis says with the *Gazette's* strong approval, that the change of mind is as likely to be in Parliament as in the Legislature. The point is that any change of mind which might break the agreement of the two parties would be ruinous. Unemployment insurance is not the sort of thing that can be legislated by agreement between two parties. It must be legislated by one party which can change its legislation when it changes its mind.

TOUGH ON THE B.B.C.

THE ARABS are having a lot of fun these days. For some time the Italians have been treating them to radio programs broadcast from Bari. In these, while there was a deliberate measure of propaganda designed to make them believe that Mussolini was a nicer fellow than Premier Chamberlain, there was also entertainment of a kind to ravish the Moslem heart. Now Great Britain, feeling the props of Empire tremble, has retaliated with radio programs of her own, broadcast nightly to Arabs at home and abroad from her station at Daventry. Thus has been joined a war in the air not envisaged by H. G. Wells. But Great Britain apparently has a hard row to hoe. For it appears that the Italian program has a natural in the person of Abdul Wahab, described as the Bing Crosby of the Middle East, and whose nightly crooning makes the Arabs swoon with delight. Our sympathy goes out to the B.B.C.,

whose sentiment in favor of inspirational talks and chamber music must be sadly outraged by the political demands made upon them. But the Empire comes before education and the B.B.C. has nobly rushed forward with jazz orchestras and music hall turns done into the Arabic. According to the latest information from the battle area, however, Great Britain has been quietly making overtures to the Italians looking to a cessation of the conflict. Whether it is because the British are trying to obviate possible international repercussions or whether it is because the B.B.C. is afraid of falling into bad habits, the dispatches do not say.

SUCCESSION DUTIES

THE determination of the Provinces of Ontario and Quebec to retain the right of collection of succession duties, and the responsibility for the various expenditures to which that revenue is usually devoted, is easily comprehensible in view of the natural tendency of any body of rulers to retain for itself all the power it can possibly retain and to add any further powers that it can possibly add. But this motive has obviously nothing to do with any question relating to equitable and efficient government. Mr. Hepburn and Mr. Duplessis want the succession duties because they like the power which they exercise in the process of collecting and spending them. It does not necessarily follow that they are the persons, or that their Governments are the governments, which can exercise that power most equitably and efficiently. Mr. Hepburn is proud, and perhaps rightly proud, of the efficiency which has been displayed by his government in collecting not only the succession duties falling due in the time of his own regime, but also large quantities of succession duties which fell due during the regime of his predecessors and which he maintains they most improperly failed to collect. This affords some guarantee that collection of succession duties is and will continue to be efficient in Ontario, so long as Mr. Hepburn is at the head of the administration; but the Ontario administration will not always be headed by Mr. Hepburn, and will not always be Liberal, and according to his own account there is no hope for

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THE PASSING SHOW

BY HAL FRANK

THERE is talk at Ottawa of an autumn election. Mr. King and his government are evidently becoming impressed with the advisability of going to the country before Mr. Hepburn takes it away from them.

A wife is one you can expect
To send you telegrams collect.
—Old Manuscript.

The United States Army is discarding its traditional breeches for long trousers. And so it's farewell, sighs Oscar, to doughboyhood.

Japan still insists that her only purpose is to gain the good-will and confidence of the Chinese. It would appear, then, that those advances made by her troops on Chinese soil are purely friendly advances.

We agree that education is not fitting the young people for modern life. How many high school students, for example, know how to face a microphone?

NEWS-MAGAZINE VERSE

(Thieves of Cairo refrain from picking pockets during the celebration of the King's wedding.—Daily Press.)

Unfilched went any pocket-book
The day Farida wed Farouk;
A demonstration of esteem
By the underworld of Cairo's cream.
—Timus.

It is doubtful if Parliament will permit the sale of hydro-electric power to the United States. All export advice is against it.

Picture magazines are no aid to conversation, says Horace. They're practically impossible to quote from.

An American interior decorator says that homes should be decorated to harmonize with the personality of the hostess, which would seem easy enough. The real problem would be how to resolve the jarring note provided by the host.

Five University of Georgia students have been going without sleep for several days for the purpose of psychological observation. We understand they have no difficulty in keeping awake so long as no textbooks are placed in front of them.

Time was when the young man who wanted to be a journalist took into the editor samples of his prose. Now he takes in a bundle of candid camera prints.

The Japanese, we read, believe it to be their mission to save the world. We thought there was something familiar about all that ruthlessness—it's the reforming instinct.

Esther says she would like to know if Mr. Hepburn exports hydro-electric power to the United States will there be a possibility of a power shortage here as she has been thinking of getting an electric iron.

IN PRAISE OF PEACE

BY A PACIFIST

THIS is nothing to do with the Peace Pledge Union, nor with any pacifist society of the sort which is constantly urging us to disarm and at the same time make war in the sacred name of peace. I agree very warmly with Sir William Birdwood in his statement that these are the most cruel of men. Only the communists and the socialists—eager to reduce the world to a uniform level of misery—are as cruel.

I might equally well have called this an article in praise of the present Government of Canada—for which I voted in 1935, but against which I shall probably vote in the next election.

The best promise of the sort of peace which I am praising is a recent inspired statement from Ottawa that the next session of Parliament will produce no new legislation.

THUCYDIDES once described his ideal of peace in pungent words: "As we give free play to all in our public life, so we carry the same spirit into our daily relations with one another. We have no black looks or angry words for our neighbor if he enjoys himself in his own way."

Some day the world will learn what it owes Erasmus, and what Erasmus owed Greece and the Grecian spirit of tolerance. Gilbert Murray has said: "The seeds of Western civilization are mostly to be found in Greece, and not elsewhere"—and that is precisely true. Athens invented tolerance for other men's ideas and that is the foundation of liberty, which is the only basis of civilization as distinguished from mere social and economic organization.

Much as I dislike the Peace Pledge Union I am glad that it won the Glasgow University election—for if the University had not been all hot and bothered about war, it might have elected Professor J. B. S. Haldane, and he was offering himself on a labor-socialist-communist platform.

NOW Professor Haldane is, as far as I know, a man of goodwill, but he is a reactionary. Like all advocates of the collectivist form of society, he would carry us backwards in history.

Even in Rome there persisted a lingering flavor of Greek civilization to temper the Orientalism of the later Empire, with concepts as alien to those of Athens as was ever the hierocratic system of Egypt, or the personal dictatorship of Persia—both excellent examples of collectivism.

The barbarians who pulled down Rome were not much interested in theories of sociology or economics, but, out of the welter of ruin, Charlemagne tried to climb back to civilization. The rebuilders of civilization were not the Orientalized decadents of Southern Europe, but the northern Germanic nations. Their minds always turned towards liberty, and, therefore, toward the reconstruction of civilization.

The more ambitious among the Popes and Emperors fought for collectivism. Gentle Erasmus and the less gentle sailors who smashed the Armada were fighting a very real danger to the civilization so slowly emerging from the chaos of the Middle Ages.

CHRISTIANITY brought two very contradictory elements into this melting pot. On the one hand was its doctrine of human brotherhood—reaching, as G. K. Chesterton so wisely argued, its finest manifestation in the ideal of Catholicism. On the other was its inheritance of Semitic, Oriental, faith in collectivism—in inspiration for the priesthood.

Erasmus drew his inspiration from the New Testament. Gregory the Great and Luther from the Old. The Old Testament is not a treatise in favor of peace—between nations, classes or individuals.

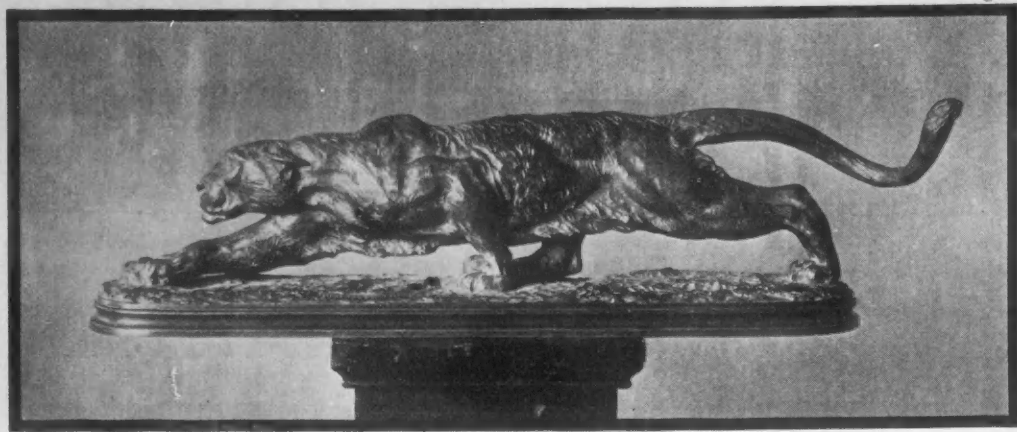
From the Reformation there flowed these two contradictory streams of thought. The Puritans fought for liberty in the true spirit of the Greeks—but they wanted that liberty so that they might oppress others, in a fine Semitic spirit of belief in their own special and exclusive knowledge of God's purposes.

And thus we come to the present day. On one side are the believers in peace—the professional soldiers, the merchants, the scientists who have not listened too much to their colleagues of the pseudo-sciences, the ordinary work-a-day people. On the other are the polite racketeers who live by exploiting fear and her daughter hatred; the concealed successors of the ancient hierocrats—those who are always telling us how well they would run the world if they were allowed to do it. The modern violent reformer is the legitimate descendant of the leaders of the Church militant in older times. They pretend to inspiration—exactly as did the Jesuits and the Puritans. They quote divine authority. They know the divine purpose. They cannot leave the world alone—for it is their duty to set it right.

THERE will be no end of new legislation as long as they have their way. There will be none of the Greek tolerance for the other man's way of thinking or doing. There will be no peace at all. They have a genuinely Oriental belief in the right of the divinely inspired to make everyone else toe the mark.

That is why it is not surprising to see Oriental dictatorships in Japan; in Italy; in Russia. It is surprising to see one in Germany, and history will record no greater joke than the sardonic spectacle of a Hitler leading the Germans of all people into an Oriental despotism, and using appeals against Oriental influences as the very basis of his ingenious attempts to delude a nation.

I am in favor of peace, and social peace will never be gained until we go back to the inspiration of those first of true Occidentals—the Hellenes in their great day.



"THE PROWLING PANTHER," by A. Phimister Proctor, N.A., in the collection of the National Gallery of Canada.

PHIMISTER PROCTOR, N.A.

BY AGNES JOYNES

PHIMISTER PROCTOR, the Canadian-born sculptor who has made a world "sit up and take notice," by works modelled often after Canadian subjects, travelled to fame along the road which any red-blooded boy loves—one of adventure and thrills. Probably no more free and delighted experience was ever enjoyed by a sculptor of any time.

From early childhood the wonders of the open wilds held him in thrall. They formed for him museum, circus and Aladdin's treasure cave combined; and what was anything made for, that was made, but for a little fellow to sketch and to paint? He had made drawings of the living forms about him when he was so young that you could scarcely believe it—unless an artist has been born to your own house. The day when the boy was told that the whole family was going on a journey to see new sights and to experience a new life, must be marked with a red letter in his memory.

The first venture was a trip to Michigan from his home in Bosanquet, Ontario. But that was nothing to a later journey, by waggon, to Des Moines, Iowa—one glorious picnic in everchanging scenery and lasting for days. Later there was another trip to Denver, Colorado, where among the mountains a bigger boy was to thrill to the "drama" of wild life.

HE HAS never denied that he loves hunting (as a sport, not as massacre) and it was his unusual success in this as a boy that endeared him to Indian hearts and made chiefs and hunters pose for him with pride. Consequently, the boy Nimrod has given to the world not only animal sculptures of world-wide fame but some equally famous of Plains Indian life. His hunting was primarily for the purpose of studying the muscles of the animals which he had sketched in living form. Upon returning to the city he would complete his sketches, if necessary, at the Zoos. If his larger animal sculptures are not always dramatic in character, they show a thorough knowledge of animal anatomy,—ignorance of which has more than once been hidden by dramatic pose.

So much for the first stretch upon the way of professional sculpture—pleasure and thrills at very small financial cost. But well the keen young artist knew that on the last lap of the journey, one must pay one's fare in cash. He planned for this, trying the different means which appealed to his nature—that of prospecting among others. But finding no gold at the end of his rainbow, he resorted to the surer means of selling some land which he possessed, to enable him to enter the National Academy of Designs.

IN HIS study of animal life, he made wide choice of subject; but his favourite models seem to have been the great wild cats which have always been used as models of grace and economy of effort in movement. These figure in some of Mr. Proctor's finest works:—the bronze statuette, "The Stalking Panther" one of the most dramatic of his sculptures, and a companion statuette, "The Standing Puma" in the Canadian National Gallery; the colossal lions for the McKinley Monument, Buffalo; the lions in front of the Public Library on Fifth Avenue; the tigers modelled to guard the approach to Princeton University.

The work is greatly the result of animal study in the sculptor's native land, for although the family remained in the United States, the boy returned each summer to Canada—to Ontario, the Plains of the Middle West, or the Rocky Mountains. Continually he sought the acquaintance of the wild animals, from the moose and elk of the Plains to the goats of the mountain heights.

The extremely fine models made at the beginning of his career won for him the commission for wild animal sculptures at the World's Columbian Exposition. For this, he produced mountain lions, elk, moose and desert lions. The money received, together with a scholarship, enabled him to go to Europe. In Paris he studied at the Academies



"INDIAN WARRIOR," by A. Phimister Proctor, N.A. This typical example of the work of Proctor is in the National Gallery of Canada.

Julien and Colarossi, where he won some of the finest awards. Later, he studied in London.

DURING his work in Paris, the famous Augustus St. Gaudens, who had been following the young sculptor's career from his home in America, cabled him to return to model the horses for his memorial to Logan in Chicago. Pleased with this honour, young Proctor hurried home to spend the following year with that great master. That year he considers one of the most valuable in his Art career. The boy Proctor had studied domestic animals long before he could contact those of the wilds, and horses came in for their share of study. His horses for the Logan Memorial were naturally a success. But the cause of the Indian or the cowboy seems to have given him as much delight as a thoroughbred horse, and he was as successful in its sculpture. At the Louisiana Purchase Exposition, where his equestrian statue of Joliet was so admired, he received a gold medal for his "Indian Chief on Horseback." His "Indian Warrior" also on horseback is another famous bit of the dramatic sculpture of which Proctor is so capable.

ONE VERY interesting bronze group he calls the Pioneer Mother. The woman on horseback, accompanied by her husband, and with infant in arms, is on her way to some new land of hope. Although weary, she looks ahead with courage and interest. She typifies the heroic woman who has always helped to pioneer new lands. The horses rest for a moment. The husband has dismounted and his look of quiet anxiety almost "steals the show." There are evidently suddenly-arrived problems to face which he is keeping from his wife. The trail may be lost. Any one of a number of serious problems may confront him. He typifies the pioneer man who must bear certain parts of life's burden alone, or the anxiety of women and children would be too great for them to bear.

MR. PROCTOR, who has had many honors bestowed upon him, was one of the early members of the Canadian Art Club, and his work was frequently seen at its exhibits. His sculpture is represented in all the famous Art Galleries of America and in Europe, but there is probably nothing more striking in all his work than the "Indian Warrior" in feathered head-dress and with spear in hand, guiding his horse without benefit of bridle or spurs.

PINS AND NEEDLES

BY JOHN E. WEBBER

THE title of this discourse happens also to be the title of a current theatre offering. It is a good title for the tiny pricks it takes at current events, social and political. It is a perfect title for a revue sponsored, acted, danced and sung by members of the International Ladies' Garment Workers Union. Shakespeare, the arch-punster, could not have chosen better.

But it is not as a theatre offering that we are now considering it. In that capacity it has evolved from a modest week-end frolic, put on for the edification and delight of ILGWU friends and co-workers, at a small fee, to a regular nightly public performance. And that is perhaps fame enough. In fact, as theatre entertainment, outside attention would hardly be called to it, notwithstanding that outside attention has often been called to far less. But it has far wider implications than Thespian. And it was these broader implications we pondered, in the time off from lighter celebrations, during the performance we attended. Recalling these border happenings, we even thought of Premier "Mitch" Hepburn and wished he were with us. Should he come on his own, and we strongly recommend it, we will guarantee his personal safety. We will even guarantee his enjoyment.

FOR be it known, what should perhaps have been said sooner, that the ILGWU is an affiliate of the C.I.O., and the Labor Stage, scene of this activity, is the theatre and Arts Centre of the International. In its own description: "Labor Stage Inc. hopes to be instrumental in developing a new kind of theatre, alive and responsive to the important trends in current American life. To this end it aims to encourage the efforts of amateurs, professional and semi-professional groups, interested in dramatizing vital and significant phases of modern American life." Well, the start was far merrier than the prospectus might lead one to believe. Mirth was its single occupation, satire its medium. But satire in which no harsh note was present, nothing to wound the tenderest susceptibilities of economic enemies. The Cohan spoofing of F.D.R. was not gentler. It pin-pricked its own foibles and excesses as gaily as any. It was even merry with its arch political enemies, Hitler, Mussolini and Japan, and had only sympathy for the well-dressed, but not too effective, representative of democracy, Anthony Eden.

AND in those happy youths and maidens who so entertained us, talented many of them, trained and disciplined all of them to their task, and in the warm-hearted audience which shouted its delight over

GREY OWL'S SILENCING

As most Canadians are aware, Grey Owl, the famous Canadian Indian writer, has refused since his "conversion" some years ago to take the life of any of his animal friends, and has become a most ardent advocate of the conservation of animal life. He was to have delivered a broadcast for the B.B.C. just before leaving England about New Year to return to this side of the Atlantic. The B.B.C. authorities however objected to his remarks on this subject of taking the lives of animals and demanded that the passage be removed from the broadcast. Grey Owl refused to remove it, and the broadcast, the text of which follows, was never delivered. The supposition is that the authorities felt that this passage would be offensive to the hunting interests which are very influential in England.

In spite of this campaign against lethal sports Grey Owl is extremely popular with the Royal Family. Queen Mary has a great admiration for him and has given the little Princesses copies of his books. Early in December Grey Owl's London publisher, Mr. Lovat Dickson, received notification from Buckingham Palace that the King would like to receive the Indian author. The Throne Room was specially fitted up with two 35 m.m. projectors. The King and Queen were there, the two Princesses, Queen Mary, the Earl and Countess of Strathmore, and a number of members of the Household. Grey Owl started off in excellent style with "Your Majesties, Your Royal Highnesses," but when he left nearly three hours later he said to His Majesty, putting out his hand, "Well, good-bye, Brother, and good luck to you," and the King's face broke into a really genuine smile as he thanked him. His Majesty and the other members of the Royal Family conversed with Grey Owl for nearly half an hour after the lecture and finally invited him and his wife "Silver Moon" to have tea at the Palace.

CHILDREN of England, I am Wa-sha-quon-asin, North American Indian, champion of the little people of the forests.

You, too, to me are little people, and so I bring to you my final, last message of good-will and farewell.

Now ends this, my last visit to England. Tomorrow my wife, Silver Moon, and I sail to our native land.

People often ask me if I am going to be glad to get back. I have to answer, "Well, in a kind of a way, yes," because I am going home. But at the same time, somehow, I feel that I am leaving behind me something that is rather valuable—the goodwill of the children of England. I hope I am wrong there; perhaps I am taking your goodwill with me. And this, little people, means quite a lot to me.

I CANNOT leave this country without letting the English children know how much I appreciate the marvellous reception they have given me. And by the way, this brings to me a thought—I had forgotten for a moment, I am going to do something for you, too. And it is this—you have, most of you, heard of McGinnis and McGinty, those two little beavers who were themselves so much like little children in their ways. As you remember, we lost them. One evening they took their nightly swim, and never, never, came back—ever. We never saw them any more.

And I know, from so many letters, hundreds at a time, that I have received from young people, that you only wish they had returned. And I have had even letters stained with tears, from little ones who write to me of McGinnis and McGinty, asking me, couldn't I bring them back, somehow, once again?

So now I am going to make them live again, and

bring them back to you once more—in a book.

This is a book that I will try to write especially for children, and in it you, and my, little lost friends will return, and play their pranks and do all the things they ever did, when they were so small and were so happy, in those forgotten days of long ago. And now, I wonder if you wouldn't make me a promise, too, to be kind to all those helpless creatures, of every kind, whom God put on this earth to accompany us through our lives. This world is not altogether ours. It belongs to all who live upon it, both animals and people.

Could you promise me never to take advantage of the weakness of another, human or animal—never to take the life of a poor defenceless animal just merely for amusement? I'll ask you, too, if you would never join in a chase where foxes, stags, or otters or hares, are driven to the last extremity of terror, and misery, until at last, with no chance of escape, they stand there looking for mercy, but finding none, surrounded by a horde of dogs, and men, and sometimes, I am ashamed to say, women and even children, and then, defenceless, terrified, helpless, and alone—no one near to help them—they are literally mobbed to death.

Is that fair play? Is that sport?

In that case, I ask you, please don't be a sportsman, or sportswoman.

BUT, remember the word "sportsman" may mean something rather fine,—consideration for those who are weaker than ourselves, who stand so much in need of the kindness for which they cannot ask. Sportsmen claim that an animal that is to be killed for fun—can you imagine it?—should be given an even chance. Is that an even chance, a hundred to one, I ask you?

Fair play, good old British fair play—play the game,—gives everybody a square deal. Remember that brave people are always the kindest. But when we go out against a lesser creature a hundred to one, is that courage?—is that kind?

Remember that only those whose lives have been too easy, with too much money and not enough to do, who do not understand what hardship and pain can be, would inflict such misery on a helpless fellow creature. I have heard, this last time I am here, of a fox that ran into a house for protection, and was seized by the huntsman as he jumped through a window, bleeding from several cuts he had received from the broken glass; only trying, poor creature, to save his life—the only one he had—and was thrown to the dogs to be torn to pieces—alive!! On Christmas Day.

AND then, isn't this better—rather kinder, this little story of the Christmas of McGinnis and McGinty? Let me read to you a part of the story of the first Christmas of these two little beavers who spent with us that great season of love and happiness, and thoughtful kindness, for those who perhaps are not so lucky as we ourselves.

"And so we got a fine balsam fir, a very picture of a Christmas tree, which we wedged upright in a crevice in the floor. On top of it we placed a lighted candle, and on the boughs tied sweets, and pieces of apple and small delicacies from the table, so they hung there by strings and could be reached.

"The beaver viewed these preparations with no particular enthusiasm, but before long, attracted by the odor of the tree, they found the hanging tidbits, and sampled them, and soon were busy, cutting the strings, and pulling them down, and eating them with great gusto.

"And then we set our own feast on the table, and as we ate we watched them. They soon consumed all there was on the tree, and as these were replaced the now thoroughly aroused little creatures stood up on their hind legs, and grabbed and pulled at their presents, and stole choice morsels from one another, pushing and shoving so that one would sometimes fall, and scramble to his feet again, as hastily as possible, for fear everything would be gone before he got up, while they screeched, and chattered, and squealed, in their excitement. And we forgot our supper, and laughed, and called out at them. And they would run to us excitedly, and back to the tree with little squawks, as if to say, 'Looksee! What we found!'

"**AND** when they could eat no more? They commenced to carry away provisions against the morrow, sometimes between their teeth, on all fours, or staggering along erect with some prized tidbit clutched tightly in their arms, each apparently bent on getting all that could be got while the getting was good. And when we thought they had enough, and no longer made replacements, McGinty, the wise and the thrifty, pulled down the tree, and started away with it, as though she figured on another crop appearing later, and had decided to corner the source of supply.

"It was the best fun of the evening, and instead of us making a festival for them, they made one for us, and provided us with a Christmas entertainment, such as had never before been seen in any other home, I'm pretty sure. And we were so happy to see the Christmas tree so well appreciated, and the beaver were so happy to patronize it, and everybody seemed to be so thoroughly enjoying themselves, that I perforce must need be happy too, just to see them so.

"At length, stuffed to the ears, and having a goodly supply hidden beyond the barricade, the revellers, tired now, or perhaps overcome by a pleasant fullness, soon went behind it too. Heavy sighs, and mumbles of contentment came up from the hidden chamber, beneath the bunk, and soon, surrounded by all the Christmas cheer they had collected, they fell asleep.

"And we declared that never was there such a Christmas anywhere in all Canada and certainly there never had been on this lake before."

AND now my time is nearly done. We must go. On to North America, where we come from, back to the topees of our Indian people, back to the great North-West, to the forest that is our home—to Beaver Lodge.

And now my wife, Silver Moon, and I, Grey Owl, two Indians, must leave you. Tomorrow we sail for the land of the setting sun. Lots of luck to all of you. And don't forget the invitation. Beaver Lodge has an open door for every one of you. We'll be seeing you!

I am Grey Owl. I have spoken.

THE FRONT PAGE

(Continued from Page One)

efficiency in the collection of succession duties under a Conservative government.

As regards the expenditure of the consequent revenues, we are not satisfied that even Mr. Hepburn has been completely efficient. Succession duties are a violently fluctuating source of revenue at any time, and authorities on good fiscal practice are agreed that they should not be regarded as part of the regular income of the government which collects them. But Mr. Hepburn has treated as regular income not only what he has collected from the estates becoming taxable during his régime, but also the amounts obtained from estates which became taxable but were not adequately taxed during the régime of his predecessors. And he has used these receipts to reduce a number of ordinary taxes, such as the motor car license, which will probably have to be increased again when the profitable business of disinterring old estates is completed.

IN THE matter of efficiency of collection, we fancy that the average citizen of Ontario is likely to feel that, over a long period of time, the federal government is just as likely to provide efficient collection and expenditure of these succession duties as the provincial government. But apart altogether from the matter of efficiency, there is also the matter of equity. The succession duties are now a very important source of revenue. But they are a source which is most unevenly distributed among the various Provinces. The complaint of Saskatchewan, that persons who have accumulated substantial wealth in that Province will not remain under its somewhat rigorous climate long enough to die there, has both its humorous and its pathetic side, but it is entirely true. The accident of a man's domicile at the time of his death has very little to do with the location of the commun-

ANNIE CHARLOTTE DALTON

SHE held her three score years and ten
Like a bright cape or a bird's wing;
Who then should mourn, that she took flight
Seeking, again, her northern spring?

Who, having heard heart's utterance
From bursts of chiselled song
Could grudge the singer one more search
Where mystery and words are sprung?

No battles made she with a sword,
No sacrifice on bloodied plain;
Watching the youth go out, she smiled
But stretched her quiet hands in vain.

Her struggle otherwise; to find
In crippled silence, music's form
And in the barren night, release
For words' wild avalanche of storm.

DOROTHY LIVESAY.

ity which is really entitled to benefit from the taxes on his estate. A Toronto multi-millionaire, with a grudge against the Province of Ontario, might establish domicile in Prince Edward Island, convert his assets into a form in which they could not be touched in any other Province, and endow that charming island, as the result of a single funeral, with enough revenue to abolish all its other forms of taxation for four or five years.

The one really logical authority to deal with Succession Duties is the Dominion of Canada, simply because the range of its taxing power is the widest and it is the best able to effect an equitable distribution of the benefits arising from its revenues. The national unity of Canada, far from being impaired, would be greatly strengthened by a transfer which would ensure that all estates, from the Atlantic to the Pacific and from the Great Lakes to the Arctic Ocean, would pay the same rate of inheritance tax, collected by the same officials, and received into a fund whose benefits would be correspondingly spread over the whole area of the Dominion in proportion to need.

EDUCATION WEEK

THE fourth annual Canadian Education Week will begin on February 6 and continue till February 13, and will in each Province be devoted largely to the particular problems of the local educational system in that Province. In Ontario the effort will be largely directed to acquainting the public with the advantages of the new curriculum and with the reasons why larger administrative units are desirable. The organization of the week is entirely in the hands of the provincial Teachers' Federations, so that the public may rest assured that it is strictly a professional and not a political viewpoint that is being presented. There will be addresses also on educational research, and on the project of redistribution of the costs of education so as to correlate needs and resources more accurately.

This annual Week has our very ardent sympathy, for now that the whole process of education is largely and directly controlled by public opinion operating through elected governments it is more than ever vital that the public should be interested and informed about the whole subject. There is more and better leadership available than at any time since the great forward movement in Canadian education in the middle of the last century; and we think that public opinion is in a receptive state to listen to it.

EVENTIDE

The following verses were among the many tributes received by the Right Hon. Sir William Mulock last week on the occasion of his ninety-fourth birthday. They were inscribed "To the Grand Old Man of Canada, from A.E.K."

AND may I ask, O kindly fate,
Why thou hast been so good to me?
My life has been so full, so free,
And all my suffering seems to be
A blessing in disguise, from thee.

My work has been a joyful thing,
And now that years have come to me,
I've learned with clearer eyes to see
The beauties of both land and sea,
And of love's treasures hold the key.

And e'en perhaps my greatest joy,
Alone in contemplation, free
With mine own thoughts to happy be,
Beneath the wondrous knowledge tree,
Here planted in this world for me.



NEMESIS RESTAURANT.

TRADE AND COMMERCE

BY B. K. SANDWELL

THE supreme example of what has happened to the British North America Act at the hands of interpreters determined to give it a provincialist construction is the interpretation assigned to Section 91, subsection 2, and to Section 92, subsection 13, respectively.

Section 91 is the list of subjects concerning which "it is hereby declared that (notwithstanding anything in this Act) the exclusive legislative authority of the Parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated." Subsection 2 is the second item in that list, "the regulation of trade and commerce."

Section 92 is the list of subjects "assigned exclusively to the Legislatures of the Provinces." Subsection 13 is an item in that list, "Property and civil rights in the Province."

The authors of the British North America Act were well aware that you cannot make out two long lists of subjects of legislation and not include some items which are bound to overlap. "Trade and commerce" was declared to be a subject "in relation to which" the Dominion alone can legislate. "Property and civil rights within the Province" were declared to be subjects "in relation to which" the Province alone can legislate. But anybody can see that legislation about trade and commerce is bound to affect property; commerce is nothing more than the process of transferring property by voluntary exchange.

BUT did the authors of the Act fail to foresee this very obvious difficulty? Not in the least. They foresaw it and provided against it, and would be enormously astonished if they could see the mess that we have got ourselves into today through the refusal of the Privy Council to follow their plain indications. They provided in the most explicit manner that when an area of subject-matter assigned by Section 91 to the Dominion overlapped an area assigned by Section 92 to the Provinces, Section 91 was to prevail. They could not possibly have put it in clearer language. "And any matter coming within any of the classes of subjects enumerated in this Section (91) shall not be deemed to come within the class of matters of a local or private nature comprised in the enumeration of the classes of subjects by this Act assigned exclusively to the Legislatures of the Provinces." In other words, a matter which comes within the subject of "the regulation of trade and commerce" shall not be deemed to come within the subject of "property and civil rights" or any other subject of provincial jurisdiction; any more than anything relating to "weights and measures," "copyrights" or "lands reserved for the Indians" is today deemed to come within any provincial subject.

NOW "trade and commerce" means trade and commerce, and it means all trade and commerce and nothing but trade and commerce; and any matter having to do with the regulation of trade and commerce was intended and ordered by the authors of the B.N.A. Act "not to be deemed to come within the class of matters" assigned to the Provinces, and ought not to be deemed so today. In 1881 the Supreme Court of Canada held that the Canada Temperance Act, applying to all kinds of transactions in alcoholic liquors, as well those within a single Province as those crossing provincial boundaries, was valid as being regulation of trade and commerce; and on this same case the Privy Council, in a decision which has been the bane of provincialists ever since, held that the Act was valid because it did not fall within any of the classes in Section 92 (which shows a very low opinion of the extent of "property and civil rights"), but added that their Lordships "must not be understood as intimating any dissent from the opinion of the Chief Justice of the Supreme Court of Canada and the other Judges, who held that the Act, as a general regulation of the traffic in intoxicating liquors throughout the Dominion, fell within the class of subject, 'the regulation of trade and commerce,' enumerated in that Section (91), and was, on that ground, a valid exercise of the legislative power of the Parliament of Canada."

IF THE Privy Council had only stuck to that, what a relatively happy nation we should now be! But alas! their Lordships had already, in another judgment (by a different set of judges) begun to tear down the fabric of the constitutional power of the Dominion over all trade and commerce. In the same year 1881, on an insurance case, they had laid down, and subsequent decisions have consistently followed them, that "trade and commerce" is not trade and commerce but merely a particular kind of trade and commerce, that kind which involves the crossing of a provincial boundary, and that the Dominion has no power to regulate any trade and commerce that does not cross a boundary. Now there is not a word in the Act to suggest any such idea. The Privy Council judges themselves admitted that "the words 'regula-

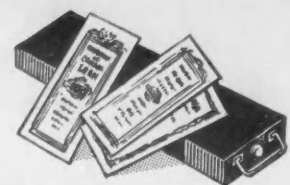
tion of trade and commerce' in their unlimited sense are sufficiently wide, if uncontrolled by the context and other parts of the Act, to include . . . minute rules for regulating particular trades." Well, what of it? If there are to be "minute rules for regulating particular trades" somebody must make them, and it is not unreasonable for the national government (which alone covers the entire area within which trade must be permitted to go on freely and without interference at provincial borderlines) to be that somebody. The authors of the B.N.A. Act had done all they could to show that the words "trade and commerce" were not to be "controlled by the context and other parts of the Act." How could they possibly have made it clearer? In the first place they said that "notwithstanding anything in this Act" the Dominion can regulate trade and commerce. In the second place they added that if in regulating trade and commerce it happens to find that some matter which happens to come within that regulation is also a matter which would otherwise come within "property and civil rights" or any provincial subject, that matter "shall not be deemed" to be a provincial subject—so as to give the Dominion complete and unquestioned right of way.

BUT the Privy Council did not like this result and was determined not to give the Dominion any more right of way than it could help. It therefore proceeded to interpret "regulation of trade and commerce" as it liked. The words "would include political arrangements in regard to trade requiring the sanction of Parliament." It seems likely that they would; otherwise things requiring the sanction of Parliament would be beyond the power of Parliament, which would seem odd. They would include "regulation of trade in matters of inter-provincial concern." And finally "it may be that they would include general regulation of trade affecting the whole Dominion." Which means what? But they do not include "the power to regulate by legislation the contracts of a particular business or trade, such as the business of fire insurance in a single Province." So every fire insurance company must have two regulators, one to regulate its business in a single Province and one to regulate its business in matters of inter-provincial concern!

By this interpretation, the arguments in support of which are too far-fetched and laborious to cite in full and too fantastic to be credited unless cited in full, the Privy Council was able to assure itself that the power over trade and commerce of the Dominion "does not in the present case conflict or compete with the power over property and civil rights assigned to the Legislature." There was never any possibility that it could "conflict or compete" in that or any other case. Where a specific Dominion power under a heading in Section 91 exists, it does not compete or conflict with any provincial power. It overrides it, to whatever extent is necessary, and the matter to which it applies "shall not be deemed to come within" the provincial authority. In respect to inter-provincial commerce the powers of the Dominion are not disputed, yet they interfere violently with property and civil rights. But there is no "conflict" and no "competition," for any matter that comes within the regulation of inter-provincial trade and commerce is "deemed" not to come within property and civil rights. It is perfectly simple, but why limit it to inter-provincial trade and commerce when the Act says "trade and commerce" just like that?

ABOUT half our constitutional ills could be cured, and their recurrence prevented, and no syllable of an idea would be put into the Act that was not in the minds of its authors and of all its interpreters down to 1880, if we merely added a few words to item 2 in Section 91: "Regulation of trade and commerce, as well within a single Province as between two or more Provinces or with any other country." Such an amendment should not cause any grave controversy.

Another simple and easily-phrased amendment would remove most of the remaining difficulties. This would restate the treaty power in terms applicable to the present treaty-making procedure, and confer on Parliament "all powers necessary or proper for performing the obligations of Canada towards foreign countries, arising under treaties between Canada and such foreign countries." This however inevitably introduces a new concept, for the Fathers of Confederation did not contemplate that Canada herself would ever make any treaties. But this whole proposal would arouse demands for some provincial influence or veto in the making of treaties, corresponding to the United States Senate's two-thirds vote requirement, and might cause considerable difficulty; and the need for it would be vastly reduced if the trade and commerce power were restored to its originally intended extent and embodied in language which the courts could not whittle away.



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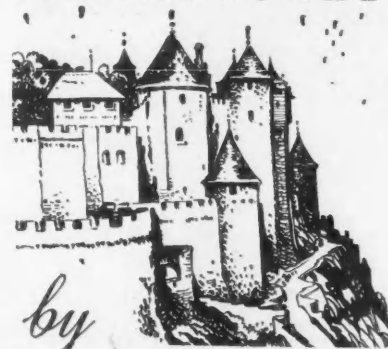
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—History of Canada, January 17-24

A CLOUD OF WITNESSES

THE Canadian butcher, baker, candlestick maker presented their briefs to the Rowell Royal Commission during the week. So also did several of the professional groups. Among the representations made, following that of the Canadian Manufacturers' Association, were the briefs of the Canadian Bankers' Association, the Investment Dealers' Association, the Canadian Electric Association, the All Canada Insurance Federation, the Canadian Life Insurance Officers' Association, the Canadian Medical Association, the Canadian Association for Adult Education, the Single Tax Association of Canada, the Trades and Labor Congress of Canada, the League for Social Reconstruction, the Canadian Association of Social Workers, and the Canadian Teachers' Federation. This phase of the Commission's sittings at Ottawa was to conclude with the hearing of the briefs of the Canadian Federation of Mayors and Municipalities, the Canadian Tuberculosis Association, and the advocates of the corporate state. The Commission then planned to call upon federal deputy ministers to outline the work of their departments.



NEW SENATOR. Norman Lambert, president of the National Liberal Federation, whose appointment to the Senate was announced by Prime Minister Mackenzie King.

DOMINION

Agriculture: Bureau of Statistics estimated Canada's 1937 wheat harvest at 182,410,000 bushels, the smallest crop since 1914.

Aviation: Details of new aviation regulations negotiated at recent Canadian-American aviation conference in Washington were announced, the regulations to go into effect when ratified by an exchange of notes between the two Governments; they will replace the aviation pact of 1929; subject to passport, immigration, quarantine and customs regulations, aircraft of the two countries will enjoy reciprocal privileges. Inauguration of test flights over the

Rocky Mountain section of Trans-Canada Airways was announced. Capt. F. Entwistle of British Air Ministry arrived in Vancouver to negotiate preliminary arrangements for establishing Vancouver as northern terminus of the projected Imperial Airways trans-Pacific air service.

Employment: Prime Minister Mackenzie King released for publication the text of the proposed amendment to the B.N.A. Act regarding unemployment insurance; it will merely add the words "unemployment insurance" to the section of the Constitution which enumerates the specific powers of the federal administration. Hon. Norman Rogers, Minister of

Labor, announced that more than 40,000 single men who would otherwise be unemployed are at work on farms and in forestry operations under the farm and forestry employment plan.

Radio: Hon. C. D. Howe, Minister of Transport, announced that radio license fees will be increased to \$2.50 for fiscal year starting April 1; the new regulations also require that a separate license must be taken out for each receiving set owned; Mr. Howe also announced the principle that the CBC must look to license fees rather than to advertising for its main financial support.

Senate: The appointments to the Senate of Norman P. Lambert, president of the National Liberal Federation, and of Duncan Marshall, former Ontario Minister of Agriculture, were announced.

NOVA SCOTIA

Mines: Hon. Michael Dwyer, Minister of Mines, announced the appointment of Hugh G. MacLellan of Sydney Mines as provincial deputy inspector of mines.

ONTARIO

Judiciary: Attorney-General Gordon Conant announced the reference to the Supreme Court of Canada of a series of questions relating to the powers of Magistrates, County and District Court Judges, Juvenile Court Judges and Justices of the Peace under Ontario statutes.

Labor: The appointment of Dr. Charles Sinclair as Administrator under the Industrial Standards Act and his resignation as the Ontario head of the federal-provincial youth training program was announced.

MANITOBA

Budget: Hon. Stuart Garson, Provincial Treasurer, presented estimates in resumed second session of Manitoba's 20th Legislature; they propose an expenditure of \$15,110,417 during 1938, an increase of \$467,868, the increase going mainly for education, public health and welfare, and public works.

Liquor Control: Hon. W. J. Major tabled report of Manitoba Liquor Control Commission for past fiscal year; it showed net profits of \$1,512,200.

Youth Exodus: Economic Survey Board, set up last year by Government, reported that during the five-year period 1931-36 more than 25,000 persons left Manitoba and that 15,000 of them were between 18 and 35 years old.

SASKATCHEWAN

Legislature: Lieutenant-Governor A. P. McNab opened the fourth session of Saskatchewan's eighth Legislature; the Speech from the Throne forecast bills to establish a provincial tax commission, to authorize the formation of voluntary co-operative hospital benefit associations, and to authorize municipalities to enact and enforce by-laws concerning soil drift control.

OBITUARY

Allan, Lawrence H., Hamilton, Ont., vice-president Alanson Shirt Co. **Amys, Dr. Charles, Peterborough, Ont.,** former M.O.H. of Peterborough (65). **Butler, G. K.,** Halifax, supervisor of Halifax schools (63). **Calvert, Mrs. Charles E.,** Toronto, director of Victorian Order of Nurses (68). **Chaplin, Alexander D.,** Chatham, Ont., former member of House of Commons for Kent, former secretary-treasurer Chaplin Wheel Co. (65). **Donaldson, Robert, Montreal,** president Robert Donaldson & Sons, machinery manufacturers (69). **Fortin, Anthime, (K.C.),** Montreal, prominent in Conservative politics (58). **Geddes, Langford R.,** Toronto, former deputy chief constable of Toronto (72). **Gillies, Col. Austin B., (D.S.O.),** Ottawa, director of Gillies Brothers Lumbering Co., former O.C. of First Field Brigade, Glassco, Ernest S., president and general manager Glassco Ltd., jam manufacturers (64). **Graham, R. P. D.,** Toronto, manager export department Goodyear Tire and Rubber Co. of Canada. **Heatley, Thomas, Victoria, B.C.,** chief constable of Victoria (58). **Inglis, Dr. Maxwell Stephen, Vancouver,** former provincial coroner of Manitoba, former M.O.H. of Winnipeg (74). **Laurie, Major R. C.,** North Battleford, Sask., editor of the "Saskatchewan Herald" at Battleford (79). **Mansell, William, Toronto,** one of founders of plumbing firm of Purdy Mansell Ltd. (76). **Mason, Lieut.-Col. Percival, (C.V.O., V.D.),** Toronto, one of oldest members of Queen's Own Rifles (80). **McBride, John P.,** Hamilton, Western Ontario advertising manager of "Globe and Mail" (73). **McIntosh, F. Ross, Toronto,** general manager Associated Quality Canners Ltd. (54). **Mills, Stanley, Hamilton, Ont.,** honorary president U.E.L. Societies of Canada, department store pioneer, president Mills Bros. Ltd. (74). **Pulling, William J.,** Windsor, Ont., president W. J. Pulling Co., president Windsor Ice and Coal Co., president McLean Lumber Co. (75). **Reid, Col. George Eric, (D.S.O.),** president Reid Bros. Box and Printing Co., director of London Life Insurance Co. and of Kelvinator of Canada, A.D.C. to the Governor-General (45). **Schell, Sanford Vernon, Winnipeg,** partner Wallingford Press Co., former publisher of newspapers at Tisdale and Liberty in Saskatchewan and at Wawanesa in Manitoba (62). **Skinner, Ronald Shaw, Kingston,** former vice-president Consumers Glass Co. (61). **Thompson, J. P.,** St. John's, Nfld., former District Court judge, former member of Newfoundland Parliament (81). **Tilt, Capel, Winnipeg,** president of Tilt Grain Co. (66). **Walsh, Vincent J.,** Vancouver, managing director of Canadian Boxes Ltd. (49). **Williamson, Mrs. Jane, Montreal,** one of founders of the Creighton School (82).

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Important Items for 1937

Insurance and Annuities in Force	\$589,511,167
New Business (including Annuities)	\$53,058,443
Payments to Policyholders and Beneficiaries	\$15,269,831
Assets	\$156,805,466
Liabilities	\$150,356,098
Surplus, Contingency Reserve and Capital	\$6,449,368

Diversified Investments

Bonds and Debentures	49.4%
City Mortgages and Properties	17.0%
Farm Mortgages and Properties	13.8%
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—Ottawa Letter

THE PORK-BARREL

BY RIDEAU BANKS

ON THE elementary grounds that credit should be given where credit is due, one of the most venerable, if not one of the most respected, of the institutions in the national Capital is receiving a rather shabby deal these days from no less a personage than the Federal Prime Minister himself.

That institution is the pork-barrel. Not once, in all the panegyrics that he has written upon the results of recent by-elections, has Mr. King had the grace to accord the pork-barrel as much as honorable mention. For all that the Canadian public might glean to the contrary from the literary effusions of the Liberal Chieftain the pork-barrel might simply have ceased to exist. Democracy, when it spoke in Victoria, Lotbinière, and St. Henri, might simply have responded to the noble appeal of pure reason, totally uninfluenced by all such baser factors as fear, favor, or hope of reward.

It is a distinctly wonderful and beautiful thought, — so much so that it is a shame to examine it, lest it might not survive.

NO ONE could read Mr. King's late epistles to the Canadian people on the subject of the recent local election contests in which the Ministry has been engaged without realizing that they were in the presence of an authentic genius that had thoroughly mastered the art of gilding the political lily. To the eye of the uninitiated a by-election might appear to be nothing more than a by-election. But to the trained eye of a political artist like the Federal Liberal Chieftain, subtle beauties which escape the gaze of the merely normal beholder reveal themselves. Take Victoria as an example: This was the occasion on which Mr. King first really took his pen in hand. Compared with some of the later works that were to come, the resulting effort was more modest than might have seemed the case at the time. The Prime Minister simply laid down the proposition that, as the voters of Victoria were thinking, so the voters of every other part of the Dominion necessarily thought. Followed to its logical goal, this reasoning could do nothing less than suggest the obvious advisability, on the basic grounds of economy and of sparing the nation as a whole periodic disturbance, of dispensing with all Federal general elections in the future and of simply holding instead by-elections in Victoria — since as Victoria thinks, so thinks the nation. At least, so thinks Mr. King. Then came Lotbinière and once

again the Liberal Chieftain's pen faced a formidable test of its facility. It was no mean task to do justice to the Ministry's win in this county. And after the paean that had been raised over the Victoria result, the obvious added difficulty existed of rising to new heights of exultation and interpretation. Mr. King, however, was equal to the occasion. On the morning after the ballots were counted the intelligent readers of Canada's press were given to understand that a sort of Guy Fawkes plot against Confederation had been nipped in the bud, that the conspirators were banished to appropriate oblivion in the Lotbinière wilderness, and that the dismemberment of the nation, which had been their impatience design, would not take place, thanks to the patriotism of voters who had cast their ballots in sufficient numbers for the Liberal cause.

BY THIS the literary-minded on Parliament Hill were beginning to realize that Mr. King was doing a noteworthy job of out-Heroding Herod, in the sense that he was making the most powerful efforts of the Press Gallery Correspondents seem like the feeblest sort of propaganda in comparison with his own contributions to the cause of high-pressure political prose. Somewhat dimly the national Capital began to realize that it was witnessing the birth of a new art — the art of by-election appreciation — and that the Federal Prime Minister was both its chief exponent and master. In this frame of mind the Capital awaited with a considerable degree of expectancy the job that the Liberal Chieftain would do on the St. Henri affair — if its result favored the Ministry. Betting was about even as to whether the Prime Minister, in the event of such a happy issue, would finally discover himself speechless in the presence of a development transcending his pen, — or would explode altogether.

He did neither. The government won St. Henri. And Mr. King rose like a veteran to the responsibility of being the official Liberal historian of the occasion. The Canadian reading public on the morning after the event was told, in effect, that political Armageddon had been fought before its unseeing eyes and that the Liberal battalions had routed those of anti-Christ.

NOT a word in any of the commentaries, it is important to notice, about the pork-barrel. A great deal about democracy and national unity triumphing; a great deal about endorsement from the nation for the sublimely sapient policies of the government; and a great deal about the supreme confidence in the ministry from coast to coast which the results so unmistakably indicated. But no mention in despatches for the pork-barrel!

The omission, after all, is not difficult to understand. For the pork-barrel is one of those institutions which, despite its utility, is rarely mentioned in polite political discussion. It is only for the sake of the accuracy of the record that due acknowledgment should be paid to the part which it has played in the recent events from which Mr. King derives so much comfort.

For instance: Before Victoria should be recognized as simply a tribute of unalloyed admiration to the policies which the Liberal Government has been pursuing, it should be demonstrated that no other factor than regard for those policies weighed with the voters of the riding. But that is hardly the evidence of eye-witnesses of the campaign. As a matter of fact, the consensus of expert opinion is to the effect that the government's record was something less of an issue than was the whispering campaign conducted in the interests of the Liberal candidate to the general effect that the scale of coastal defence works on the Pacific rested in some measure at least upon whether or not the riding supported the ministry. Furthermore when results seemed to be still in doubt, Hon. Ian MacKenzie, colorful British Columbian Minister, threw himself into the campaign and appealed to the voters to serve the general interests of the province by voting Liberal. And as a delicate intimation of the extent to which Liberalism was prepared to further the Province's interests, the Minister read a telegram from Ottawa stating that the new C. N. R. hotel in Vancouver was to have its public rooms finished at a cost of upwards of a million dollars, was to be furnished and equipped at a cost of other untold millions, and opened as soon as possible. The Vancouver Hotel, it will be recalled, drew criticism from the late Duff Commission as being one of the least justifiable of the spending extravaganzas of the C. N. R.

BUT the Victoria by-election was a small change stuff compared with the campaign in St. Henri. Actually, the latter should not have caused the Ministry any worry. In the general election of 1935 it was won by the government by a majority of more than 20,000. With Liberal sentiment at full flood-tide throughout the Dominion, as emphasized by Mr. King after Victoria and Lotbinière, St. Henri should have been child's play for the Liberals. And it might have been, but for one factor. That single factor was one Camillien Houde, who emerged from a retirement of some months in order to upset the Liberal apple-cart in Quebec.

Now here was a situation that called emphatically for heroic measures. If ex-Mayor Houde won on a policy of straight opposition to the government's armament policy, Federal Liberalism would be left facing the prospect that, having sown the wind of anti-conscription in 1917, it was going to have to reap the whirlwind of anti-armaments when next a general election rolled around. Under the circumstances the Ministerial forces left nothing to chance. Bigger and better

"I'll bet red flannels are itchy, aren't they, Mater?"

"Why, Genevieve! How should I know?"

"Aren't you wearing them? They fit right in with that heavy breakfast you're eating."



You really can't blame Genevieve for having been misled. Any one who eats hot, heavy breakfasts every morning is living pretty much in the past. Modern breakfasts should be light and easily digested.

That's why well-informed people serve crisp Kellogg's Corn Flakes for breakfast all the year round. They're full of flavor — always ready to serve with milk or cream. And they supply all the calories you need for warmth and energy. Try Kellogg's with fruit. Made by Kellogg in London, Ontario.

Say "Kellogg's"
before you say
"Corn Flakes"



unemployment relief was but one of the promises lavishly distributed. — despite the fact that elsewhere throughout the Dominion the Federal treasury is enforcing the most drastic relief economies. The real *pièce de résistance* which was offered to the voters, however, was the promise of an early start upon the new C. N. R. terminal. As envisioned by the late Sir Henry Thornton, this project was to entail the expenditure of some \$50,000,000. It was shelved following 1930, and no government has had the hardihood to revive it since, until the reigning authorities found them-

selves under pressure which threat of a Camillien Houde victory applied. It will almost certainly not be the original \$50,000,000 project with which the government will proceed. But it will be a project costing many millions — more millions than a Canadian government can afford to lavish in the existing state of Federal finances. The win over Mr. Houde, which was achieved finally by a margin of some 4,000 votes, was probably the costliest by-election victory ever purchased by any Canadian administration by effective pork-barrel methods — at the public expense, of course.

COMING EVENTS

THE Abbey Players, from Dublin, who open one week's engagement at the Royal Alexandra Monday night, are an interesting group. For twenty-five years they have maintained a relentless integrity of professional policy. That policy has been the development of players rather than stars and the development of playwrights rather than the search for a "hit" play. The Abbey Players adds to its number each year by recruiting the most promising students from the dramatic school associated with its theatre, after subjecting the young hopefuls to the most rigorous and competitive elimination tests.

Members of the company will be seen playing leading roles one night next week and "walking on" the next. The program opens with "The Far

Off Hills" on Monday; Tuesday is "Drama at Inish," and Wednesday (twice) "The Playboy of the Western World," with "Riders to the Sea." On Thursday comes "New Gossamer," Friday "Silver Jubilee," and Saturday, twice, the classic "Juno and the Paycock." Some of the players known by previous appearance here are, Arthur Shields, who is also the stage director, P. J. Carolan, Eileen Crowe, Maureen Delaney, May Craig, Ria Mooney, Frolie Mulhern, Aileen O'Connor, F. J. McCormick, Michael J. Dolan, Dennis O'Dea, Joseph Linnane and Austin Meldron.

FOR its seventh subscription concert, the Toronto Symphony Orchestra under Sir Ernest MacMillan presents as guest soloist the distinguished Canadian pianist, Ernest Seitz. Mr. Seitz will do Bortkiewicz' Concerto in B Flat Major. This will be the first local performance of this brilliant new work. For the straight orchestral selections, Sir Ernest has also selected two "first performances," Choral by La Violette and Facade Suite, No. 2 by Walton. The other works to be played are the Brandenburg Concerto, No. 3 in G, by Bach and Symphony No. 8, in F, by Beethoven.

THE Canadian Singers' Guild, which was founded in 1933 by a group of Toronto school teachers, will present a popular concert in Massey Hall on Thursday evening, February 17.

The three separate choral units of this remarkable organization will participate, under the direction of the Guild's inspired conductor, Walter Bates. The Chapter Chorus, the Select Ensemble and the Choristers have achieved individual success both in this country and in the United States. The Choristers, organized in 1933, have been acclaimed in New York City, Buffalo, Rochester, Cleveland, Philadelphia, Detroit and other American centres. The Select Ensemble, formed in 1936, the smallest of the three choirs, numbering but fifteen voices, have had notable receptions in Rochester, Syracuse, Buffalo and other cities.



LOYD BOCHNER as the young Will Shakespeare in "The Boy Will" which is being presented at Hart House Theatre by "The Juveniles" under the direction of Josephine Barrington on Saturday afternoon, Jan. 29.



THE DOMINION LIFE ASSURANCE COMPANY

Head Office: Waterloo, Ontario

GRATIFYING RESULTS FOR THE YEAR 1937

INCREASED BY ASSETS	\$3,030,712
(and now total \$36,789,657)	
POLICY AND ANNUITY RESERVES	\$2,773,841
INCREASED BY	
(and now total \$30,414,378)	
INSURANCE IN FORCE	
(including Deferred Annuities)	
INCREASED BY	\$8,916,634
(and now stands at \$172,936,447)	
NEW INSURANCE (including Deferred Annuities) PAID FOR AND REVIVED	\$23,207,536
(Increase, exclusive of group insurance, \$1,595,240)	
PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES TOTALLED	\$2,725,434
(70% of this amount was paid to living policyholders)	
SURPLUS, CONTINGENCY RESERVES AND CAPITAL	\$1,747,701
RECEIPTS EXCEEDED DISBURSEMENTS BY	\$3,832,689
TOTAL INCOME FOR THE YEAR WAS	\$8,354,117

TWENTY YEARS OF PROGRESS

	1917	1927	1937
Insurance in force at December 31st	\$22,271,831	\$107,364,499	\$172,936,447
Premium Income	707,636	3,529,406	5,751,980
Total Income	1,000,071	4,578,081	8,354,117
Payments to Policyholders	324,979	1,342,830	2,725,434
Assets as at December 31st	4,650,063	18,890,284	36,789,657
Insurance and Annuity Reserves as at December 31st	3,503,052	13,440,804	30,414,378

A complete annual report showing the Company's record of achievement in 1937 will be ready for distribution immediately after the annual meeting of the Company, February 11th, 1938.

FORD S. KUMPF, Waterloo, President

GEORGE A. DOBBIE, Galt, Vice-President

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63rd
Annual
Account
of
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\$88,553,751 New Life Insurance

was written in 1937 on the lives of 124,539 Canadians.

\$574,248,130 Insurance in Force

with a gain for the year of \$32,830,733, the largest since 1929.

\$117,445,684 Assets

a gain of \$8,344,338.

\$14,139,754 Surplus Funds

After providing for all policy dividends earned to the policy anniversaries in 1938 and for Specific Investment Reserves of \$4,500,000, the Company holds for the protection of its policyholders the sum of \$14,139,754 in Free Surplus and Reserves beyond legal requirements.

This strong financial position fully assures the continuance of the London Life's outstanding record for low cost insurance.

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MUSICAL EVENTS

BY HECTOR CHARLESWORTH

THE vogue for two-piano recitals has been remarkable in recent years, but I doubt whether any Toronto audience has heard such an ensemble as the Russian duo, Vitya Vronsky and Victor Babin, presented at Massey Hall in connection with the Celebrity Series of Wilfred C. James and Ernest M. Rawley. Josef Hofmann proclaimed them in advance as "the most extraordinary two-piano team in Europe," and no one who heard them will think his tribute exaggerated.

Both are apparently young; but their romantic fire, brilliance and finesse in execution, beauty of touch, and perfect unity of effort could hardly be overpraised. Those of us who have heard many admirable ensembles of the kind got the ultimate thrill in listening to them. Both appear to be geniuses, exquisitely responsive to each other, though the touch of the lady seemed to be the lovelier and more sensitive. Their introductory number was the familiar "Variations on a Theme of Haydn's" by Brahms, to which they gave captivating variety of appeal. There followed a Sonata by Mozart, the interpretation of which was marked by color, tenderness and buoyancy that made it seem almost like a new work. Then they moved on from the classics to a Fantasy by Rachmaninoff, in four movements, marked by freedom of style, and rich and haunting melodic content. The subtlety of their rhythmic treatment in the opening "Barcarolle" was notable, and the work reached a superb climax in the closing movement, Allegro maestoso (Easter Bells). The rendering had the majesty which the composer calls for, and in the suggestion of chiming bells there was nothing stunted. On the contrary it was pervaded by poetic beauty. Rachmaninoff's fame as a pianist has tended to overshadow his greater eminence as a composer. Listening to this Fantasy it was clear that it was a superb and permanent contribution to pianoforte literature.

THE second concert of the Tudor Singers, under Dr. Healey Willan at Malloney Galleries was not only profoundly interesting to students of old English music, but charming to less sophisticated listeners. Notable factors in this small chorus are its well-nigh perfect balance, and the admirable manner in which it brings forth the resonance that lies within the part-writing of Elizabethan composers, whose chief medium was the human voice. There were numbers grave and gay by Tallis, Byrd, Gibbons, Dowland, and other great musical pioneers of English music, all finely rendered. The major achievement was Gibbons' "Hosanna," one of the most marvellously complex



YVONNE ASTRUC, eminent French violinist, who will be heard at the Eaton Auditorium on Saturday evening, January 29, under the patronage of the Mozart Society.

examples of polyphonic vocal scoring ever written, in which the Tudor Singers proved their technical efficiency and vocal quality. The novelty of the program was enhanced by a group of numbers composed in that period for the virginal, a simple ancestor of the harpsichord. It was of the zither type and could be placed on a table. From it could be produced dulcet tinkling melodies. Marion Keighley Snowden a skilled executant wore a gown copied from the National Gallery portrait of the unhappy Queen Mary of sanguinary fame, who was herself an expert on the virginal.

IT IS a long time since I first heard Artur Rubenstein at a recital in Massey Hall. He was then a lad emerging from his teens with a reputation for moodiness that sometimes affected his performances. But even in those ante-bellum years his promise was indubitable. Now he is a well-matured artist and in the intervening decades has developed stupendous powers as an executant, a self-evident fact for those who heard his recital at the Eaton Auditorium. He is probably the foremost contemporary exemplar of what is known as "orchestral pianism," as distinguished from "pure pianism." By that is meant, the school of interpreters who seek to make a piano utterance approximate to that of a full symphony orchestra. The success of such an attempt depends not only on superpowers in the pianist himself, but a good deal on the instrument itself. One has heard many makes of grand piano and in listening to Rubenstein one could not help conjuring up visions of breaking strings on some of them, if subjected to such Titanic energy. Luckily Mr. Rubenstein's instrument endured the battle like a well-seasoned war charger.

Mr. Rubenstein has more to offer than the power of a super-pianist. Vast though it is, his tone is mellow and his precision is flawless. In numbers like Liszt's Twelfth Rhapsody in which one has heard other heaven-stormers grab up handfuls of wrong notes, his finger technique was absolutely impeccable. Despite his colossal strength he did not give the impression (as do some pianists) of an ill-practice, but of drawing forth from the instrument the nth degree of massive utterance. The chief work which left his audience breathless was Stravinsky's Sonata based on his ballet "Petrouchka." It was written for and dedicated to Mr. Rubenstein, and perhaps Stravinsky felt that no other pianist could play it with such stupendous orchestra effect, and color and accuracy of expression.

Rubenstein's Chopin interpretations are broad and virile in an unusual degree. The tonal splendors of the great Militaire in A flat, and the Scherzo in C-sharp minor were child's play to him. His playing of Mazurkas was especially interesting in passages where he suggested the stamping of peasant feet. Naturally Liszt's "Funeral" afforded him a great opportunity to display the distinctive qualities of his art, and the Rhapsody mentioned above was a dazzling achievement. His renderings of Debussy seemed rather heavy-footed and lacking in the pastel-quality characteristic of the music. His playing of De Falla's Ritual Fire Dance, though less subtle than Iturbide's was a memorable example of tonal contrasts and dramatic power.



ETTORE MAZZOLENI, conductor of the Toronto Conservatory Orchestra, who has arranged a program for the concert to be given at Convocation Hall on Thursday evening, February 3. Mr. Mazzoleni has adopted an old manuscript for string orchestra from Bononcini's overture to Muzio Scaevola and will conduct the first public performance of this work at this concert.

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Write Harvey Clare, M.D.,
Medical Superintendent, Homewood Sanitarium,
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ETTORE MAZZOLENI, Conductor

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"OUR PERSONAL SECURITY AND OUR PROGRESS REST UPON THE STRENGTH AND INTEGRITY OF OUR NATIONAL GOVERNMENT"

—C. H. CARLISLE

67th Annual Meeting of Shareholders THE DOMINION BANK

C. H. Carlisle, President, and Robert Rae, General Manager, Deliver Addresses

"Banks are paying annually in taxes between eight and eight and a half million dollars."

"Free our transportation problems of party politics and they will be speedily and efficiently solved."

Statement shows: a very strong liquid position, larger volume of commercial loans, increased deposits, and high grade securities at highest level in Bank's history.

The Sixty-seventh Annual Meeting of The Dominion Bank was held in Toronto on Wednesday the 26th of January, when the President, Mr. C. H. Carlisle, and the General Manager, Mr. Robert Rae, addressed the Shareholders.

Mr. Rae in his address confined his remarks in the main to the figures of the Bank's Balance Sheet and the Profit and Loss Account. He stated that the profits for the year amounted to \$976,838 an increase of \$25,560 over the previous year. He continued "You will observe that after payment of Dominion and Provincial Government taxes, making a contribution of \$75,000 to the Officers' Pension Fund, an appropriation of \$100,000 to Bank Premises Account and providing \$700,000 for dividends, \$101,838 was added to Profit and Loss Account, the total carried forward being \$770,815 as against \$668,977 last year.

Deposits Increase

Mr. Rae then commented on the various items of the Statement. "Notes of the Bank in Circulation, \$5,528,741, are \$41,960 lower than the previous year.

"We are pleased to report that Deposits by the Public not Bearing Interest, \$36,286,541, compared with \$32,977,964 a year ago, show an increase of \$3,308,577, and that Deposits Bearing Interest are higher by \$2,012,124, and now total \$80,630,032."

Strong and Liquid Position

The Bank's strong and liquid position was presented in the following words:—"On December 31st the Bank had cash assets of \$27,567,007, equivalent to 21.7 per cent. of the liabilities to the public and readily realizable assets, including Government, Municipal and other bonds and Call and Short loans, amounted to \$91,445,340, or 72.0 per cent. of public liabilities."

The General Manager stated that the Bank's investments were the highest in its history and totalled \$54,048,741, compared with \$51,538,902 a year ago. These securities he said are entered on the statement at prices below those prevailing on December 31, and market prices are still higher at this time.

Call and Short Loans Decrease

In respect to Call and Short Loans the speaker said—"Call and Short Loans in Canada, \$6,162,069, compared with \$9,881,120 a year ago, show a decrease of approximately \$3,719,000. This is due to the recent recession in the security markets and a consequent lessening in the demand for such financing. Against these loans readily marketable stocks and bonds, with adequate margin, were held."

"Call and Short Loans Elsewhere than in Canada total \$3,332,871, compared with \$5,309,169 a year ago. These loans, which represent advances made at our New York and London offices against first-class securities, fluctuate from day to day.

Large Advance in Current Loans

"It is gratifying," Mr. Rae said, "to report that current loans and discounts in Canada were \$41,516,254, an increase of \$7,419,858 over those of a

year ago. This is a most important feature of the statement and reflects the greater turnover in business enjoyed by our customers.

"Loans to Cities, Towns, Municipalities and School Districts were \$2,371,306, compared with \$1,873,789 on the 31st December, 1936, an increase of \$497,517."

Serving the Mining Areas

The General Manager then referred to the Bank's active participation in the Mining Country. He said: "We have further enlarged our connection in the mining areas of Northern Ontario and Quebec; in February last a branch was opened at Rouyn, Que., and in May an office was established at Larder Lake, Ont. We expect to develop a profitable business at both these places."

A Sincere Tribute

Mr. Rae spoke of the loyalty and efficiency of the staff as one of the best assets of the Bank. He paid a sincere tribute to the late Mr. Dudley Dawson, his immediate predecessor. The General Manager concluded his address with these words: "The Dominion Bank is in a sound and healthy condition, and fully prepared to continue taking its part in financing the business of this country."

MR. C. H. CARLISLE

Mr. C. H. Carlisle, the President, on rising to address the meeting opened his remarks with a kindly and appreciative reference to the late Mr. Dudley Dawson, followed by an expression of his assurance in the success of the present General Manager, Mr. Robert Rae. After a brief reference to certain features of the Balance Sheet and to the fact that the Bank had had a successful year, the President continued.

Practical and Competent Service

"It is likely natural for one who has spent the greater part of his business activity in manufacturing and merchandising, interested in both domestic and foreign markets, to regard banking from his viewpoint rather than that of an experienced banker. It is a fact not sufficiently recognized that it is quite essential for the personnel of a Bank to have, in addition to a competent knowledge of banking, the fullest understanding of business in general. A Balance Sheet can be better appraised if one has a thorough knowledge of the particular industry being reported upon. Having a practical knowledge of the things to be dealt with, one is in a better position to render a service both to the Bank and its customers. A considerable amount of work has been done by your Bank in aiding and re-building and rehabilitating accounts which otherwise would have had to be liquidated, entailing loss to the Bank and to others. The men chosen from your staff to do this work have succeeded well and gained valuable experience. It is our purpose to give certain men in the general office and all branch managers as full an opportunity as possible to acquaint themselves with such activities."

Recent Legislation

Referring to recent legislation by one of the Provinces, the Speaker said—"Recently there has been legislation passed by one of our Provinces which, if implemented, would likely make it impossible for Chartered Banks to operate in that Province. Such action would incur loss to the Banks, especially due to their investment in Bank Premises; it would prove perhaps an even greater loss to the Province itself."

"Our Chartered Banks have not only served well the individual, but have been a dominant factor in the building of our nation. Canadian Chartered Banks have earned and have the respect and confidence of other nations with whom they deal. They make available for the use of the Canadian people, Canadian industry and Canadian governments more than one billion dollars per year. Rates of interest have been consistent and equitable."

Pay Taxes over \$8,000,000

"They are paying annually in taxes between eight and eight and one half

millions of dollars, and are now employing between twenty-three and twenty-four thousand people. These facts should indicate that those who seek to retard or make it impossible for our Chartered Banks to operate are usually persons without practical experience, or are visionary, or have some selfish purpose to serve. Chartered Banks are national institutions—not provincial or pre-supposed that our national government will maintain these Banks and maintain them under such conditions as will serve all people and our nation best. It is likely it would have been more constructive if those in charge of bank management had given to the public a fuller knowledge of the banks' operations and services."

Improvement in Canada's Foreign Trade

Canada's trade position, and the noticeable trend from Agriculture to Manufacturing was then interestingly discussed. "There is much written and published as to current events and current business; therefore, in referring to the year's business just closed it may suffice to say that generally the results have been quite satisfactory. Canada has shown marked improvement in its foreign trade. In the seven months prior to September last this country had an increased favorable trade balance of two hundred millions of dollars. However, owing to recent decline of commodity prices, and the effort to reduce inventories, merchandise from the United States is being absorbed in large quantities in our market, and thereby reducing this favorable balance. Employment has been maintained at a high level and at wages well above the average. The value of our manufacturing products amounted to over three billion dollars."

Shifting from Agriculture to Manufacturing

"In line with and because of the ever-changing proportion of public demand for goods, Canada is gradually shifting from agriculture to manufacturing. It is well, and certainly in the interest of farmers as well as workmen, that she is so diversifying her production. While our crops are somewhat less in volume than normal, and while some sections have suffered cruelly from drought, the dollar value is, on the whole, satisfactory."

Minerals Yield \$435,000,000

Mr. Carlisle then turned to our mineral production and other natural products. "Our minerals are varied and abundant. They yield in value just closed four hundred and thirty-five millions of dollars. They will continue to be an increasing asset. Our paper industry has made rapid progress and for the twelve months will yield a value of approximately one hundred and ninety-nine millions of dollars. We have many more products and assets of permanent value, but it seems to me our greatest possessions are, first, our quality of citizenship; second, our educational institutions; and, third, the high standing of our judiciary and with it our respect for and the enforcement of law. It is undoubted that there has been no time in the history of mankind when these elements of society were so essential as they are today."

Watchful of Sinister Forces

"Canada must always be watchful of sinister forces which aim to destroy or to revolutionize our democratic form of government and with it those safeguards which provide a check for each branch of government, and, therefore, a balance for the whole. These have, since their inception, given to all of our people the maximum of freedom, security and opportunity."

Provinces Pressing for Greater Powers

On the present tendency of Provinces to press for greater powers the speaker said—"Owing to our large expanse of territory and sparse population, and, in earlier years, our meagre transportation and communication facilities, this country is decidedly sectionalized. It is only natural that each section would view and fashion our national problems from its local standpoint. It is apparent that the Provinces are not only using all the power allotted to them by the British North America Act, but are frequently pressing for the exercise of even greater powers, and in some instances have created obligations

which are difficult or impossible for them to discharge, thus bringing about an unhappy condition for the local taxpayer as well as affecting injuriously the general credit."

"We must not overlook that our position in the British Commonwealth, our relation with other nations, our personal security and our progress rest upon the strength and the integrity of our national government."

Taxes an Expanding Proportion of Costs

Mr. Carlisle stated that taxes form a material and constantly expanding proportion of costs. "This Dominion is essentially an export country and must remain such for many years to come—therefore, to maintain a satisfactory position it must be competitive in quality of product, in price and in service. Costs must be maintained on as low a basis as possible, and living costs kept down to a level with production costs. Profits should be limited but cannot be eliminated, or stagnation at once follows; capitalization should be reduced to actual values; taxes should and can be greatly reduced. We must not overlook the formidable truth that taxes form a material and a constantly expanding proportion of costs."

Free Transportation Problems of Politics

On the transportation question the speaker had this to say—"Our national and provincial governments are mak-

ing progress. A special opportunity is afforded through the Rowell Commission to come to agreement on an intelligent revision of the British North America Act, and such revision should provide not only for a severely essential economy but for a closer unity and a better understanding."

"We are a patient people, but there is a limit even to patience. How much longer can we endure the unnecessary burden of our transportation system? We have waited long for some explanation to justify the building of the Hudson Bay Railroad and its terminals—we have received none. It is manifest now that no business-like explanation can ever be forthcoming. Free our transportation problems from party politics and they will be speedily and efficiently solved."

Improvement through Consolidation

The President then briefly touched upon the question of the present financial load of some provinces—"Provinces which find their local taxes too great a burden to bear likely may lessen that burden and improve their conditions through consolidation with one or more other provinces. Public opinion would undoubtedly support our national government in giving temporary assistance to any section of our country which was in distress through conditions which were beyond its control, but I take it on the other hand that public opinion would be adverse to giving aid where conditions were controllable and likely permanent."

To Make National Progress

Mr. Carlisle then turned to a discussion of one particular necessity, if Canada is to make progress—"We will be making national progress when every able-bodied and able-minded person realizes that it is his or her duty to be self-supporting, and becomes self-supporting. It is contrary to the principles of human life for one to work and save to support one who has not exhausted every effort to become self-supporting. Those who have been and are self-supporting are usually those who have put forth greatest efforts and have, out of that pride and independence which spells character, denied themselves the most."

The speaker closed his address on an inspiring note—"If we hold definitely to sound and tried principles of production, of business and of taxation, if we maintain determinedly our democratic principles and our British traditions, and take an ever-increasing and practically useful part in this Commonwealth, then people worthwhile, looking on from other lands and comparing Canada with countries where that priceless personal freedom, which is our British inheritance, has been circumscribed, or crushed out of human life, will, to the common advantage of themselves and of this whole Canadian nation, seek the measureless range of opportunity and the wholesome citizenship which this Dominion can so amply provide."

THE DOMINION BANK

Condensed Statement as at 31st December, 1937

LIABILITIES	
Deposits	\$117,782,320
Deposits by Other Banks	3,319,146
Notes in Circulation	5,528,741
Letters of Credit, Acceptances and Sundry Other Liabilities	2,473,321
	<hr/>
	\$129,103,528
Capital, Reserve and Undivided Profits	14,946,129
	<hr/>
	\$144,049,657
ASSETS	
Cash on Hand and in Banks, including Bank of Canada	\$ 27,567,007
Deposit with Minister of Finance	334,650
Government and Other Securities	54,048,742
Call Loans	9,494,941
	<hr/>
	\$ 91,445,340
Commercial Loans and Discounts	44,541,177
Bank Premises	5,685,000
Liabilities of Customers under Letters of Credit, Acceptances and Sundry Other Assets	2,378,140
	<hr/>
	\$144,049,657

The General Manager,
The Dominion Bank,
Toronto, Ontario.

We report that we have examined the above condensed Balance Sheet as at December 31, 1937, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have examined the cash, and the securities representing the Bank's investments, held at the Head Office and certain of the larger Branches as at December 31, 1937, and in addition we examined the cash and the securities held at certain of the important Branches during the year. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, F.C.A.,
of Peat, Marwick, Mitchell & Co.
W. D. GLENDINNING, C.A.,
of Glendinning, Gray & Roberts.

Toronto, Ontario,
17th January, 1938.

THE FILM PARADE

BY MARY LOWREY ROSS

ALL this week in New York a remarkable exhibition "The Making of a Contemporary Film" has been on display in the Museum of Modern Art. The film is "Tom Sawyer" and it will replace "Snow White and the Seven Dwarfs" at Radio Music Hall as soon as the public can bring itself to part with that enchanting Disney fairy tale.

Ever since the true confession spirit seized it in "A Star is Born" the movie industry has been buttonholing the public and pouring out the story of what goes on in the offices and casting bureaux and behind the studio sets of Hollywood. These accounts for the most part have been distorted to a certain extent. For Hollywood like most extraverts has a tendency to make a good story better. The material in "The Making of a Contemporary Film" however is serious, documentary, free from editorial comment and endlessly fascinating. It has even at times—for instance in Mr. David O. Selznick's correspondence with the Will Hays organization and the British censor—the heart-breaking quality of simple bits of evidence submitted in a court-room drama.

A large part of the exhibit is in the form of reports. Some of these are from talent scouts who scoured America from ocean to ocean in search of a possible Tom Sawyer and Huck Finn; visited schools, orphanages, Boy Scout organizations and children's casting bureaux; combed through the results of radio and newspaper appeals, even sat about on beaches on Sunday afternoons watching for talent from under their tilted panamas. There are the reports of the research department which has investigated

every detail of the period from the musical range of a Mississippi steamboat whistle to the hand-soldering of a tin can used for fish worms. (The boys and girls in the research department must sometimes look with a sour envy at the metaphysical theorists with their easy ways of proving the co-existence of present and past. Just let them try making the toe-caps on a schoolmaster's shoe or the topic of corner-store conversation in Missouri in 1844 co-exist in 1938.)

THEN there are odds and ends of original musical scoring, and of author's and director's scripts; numerous stills; reports from "sneak" previews; sketches and preliminary location shots; original costumes worn by Huck, Tom and Becky Thatcher; and such fascinating odds and ends as the warts made of silk spurs worn by Huck Finn (Jackie Moran), and the pencil used to stipple Jackie with freckles—he had no freckles of his own and these had to be applied fresh every day after a careful check-up as to size, number and distribution.

The most curious and illuminating section of the exhibit however, was the one devoted to Mr. Selznick's troubles with the censors. The controversy swung about four points: nude swimming; the use of Biblical quotations; Aunt Polly's recourse to the caves; and the original Twain comedy scene in the church when Tom and Huck stole back to listen to their own funeral sermon.

"It seems to me incredible that one cannot use long shots of boys in swimming in the nude," Mr. Selznick



THE ABBEY PLAYERS RETURN. P. J. Carolan, Anton Meldon, M. J. Dolan and Denis O'Dea in a scene from "Silver Jubilee", one of the plays which will be presented by this famous organization at the Royal Alexandra Theatre, Toronto, for the week beginning January 31.

wrote with some warmth, "After all Mark Twain is not a writer of nudist shockers and to put trunks on the boys in the swimming hole seems to me a little ridiculous."

Followed a stern note from Mr. Joseph Breen. "No scenes of nude figures in swimming at any time. The boys should always have on swimming trunks. . . . We direct your attention to page 2, scene 2, and to page 20, scene 32. These quotations are from the Bible and certain to be deleted by the British censors. . . . Mr. Selznick was soon in corres-

pondence with his representative in England. "I should like to point out," he wrote, "that after all we have a great many people in this country who have religious sensibilities and many boards to please including Legion of Decency groups and religious groups supervising the film education of children. He was ready however, to make some concessions—the comedy scenes to be played outside the church and Aunt Polly to be shown talking to herself rather than engaged in prayer. "Neither alternative will have the

entertainment value of the original," he concluded bitterly.

MR. SELZNICK's assistant wrote pacifically to Mr. Breen: "The boys in swimming will not be shown actually nude. It is our thought to handle the scene most carefully in order always to show the boys in the water or if on the banks with their nudity (which will not be actual as they will be wearing fleshings concealed from the audience by extreme long shots and by means of tall grass, brush, overhanging boughs and other devices."

"The Biblical quotations to which you take exception, such as "Spare the rod and spoil the child" and "Virtue is its own reward" are not actual Biblical quotations. One is a quotation from Shakespeare, the other from Browning."

Mr. Breen apparently was satisfied. A final cable from England settled matters for movie-goers in the British Isles.

"Contacted censor this morning re Sawyer stop is prepared to allow scenes 222-4 knowing they will be handled delicately. Scenes in church objected to on grounds that firm undertaking has been given religious denominations that church comedy scene will be vetoed stop the decision given in spite of assurance given that scenes would be played with due regard to religious sensibilities and despite strong plea for presentation spirit Mark Twain's classic stop censor sees no objection to playing scenes outside church end regards

Murray.

On the evidence of the stills, dialogue and production presented in "The Making of a Contemporary Film", "Tom Sawyer" should be a fine picture. But some of the internal evidence would undoubtedly have given the late Mr. Samuel Clemens a rather sour laugh.

COMING EVENTS

GINA CIGNA, the great dramatic soprano from La Scala whose advent to the Metropolitan has been described as the most important event since the arrival of Flagstad, and as "restoring Bellini and Verdi to their place as diamonds in the operatic crown, will appear in recital at Massey Hall on Tuesday. Her very varied program will range from Gluck through Duparc and Ravel to Gretcheninoff and Rachmaninoff—with some Verdi.



MISS LUCY JANE GRABELL of University College who will play "Jane Bennet" in the University of Toronto Drama Committee's presentation of "Miss Elizabeth Bennet" at Hart House Theatre on January 31 and February 1 and 2.
—Photo by Ashley & Crippen.

THE BANK OF NOVA SCOTIA HOLDS ITS 106th ANNUAL MEETING

President J. A. McLeod sees business in Canada well maintained. Future trend favourable if not upset by disturbances beyond our borders.

General Manager H. F. Patterson emphasizes importance to Canada of world trade as aid in lightening taxation burden.

In addressing the 106th Annual Meeting of The Bank of Nova Scotia in Halifax, N.S., on the 26th instant, Mr. J. A. McLeod, President, spoke, in part, as follows:

"When at some vantage point in the future the chronic of recent times is written, the historian may well describe the year which has just closed as one of momentous and sudden change. In the spheres of politics and economics, 1937 has been marked by a series of 'scare' and crises, the general effect of which is to convey an impression of growing confusion. While certain developments have been highly disquieting, others have been decidedly encouraging. To strike a balance, to distinguish the long-run trends from the changes of the moment, is a task which must be left to the historian. It may, however, be of some value to outline certain of the outstanding changes, and particularly one or two of great significance to the immediate future of Canadian business."

"The changes of which we are most constantly kept aware through the medium of the daily press are those in the broad field of international politics. Here, the picture has been one of increasing tension and warfare. In Spain, the civil war has continued throughout the year with indefinite results. The grave complications arising from this conflict, though recently overshadowed by the war in the Far East, still await solution. Japan's ruthless invasion of China and her disregard of international agreements and conventions have been reflected in numerous 'incidents' which have intensified an already strained situation."

"It is idle to deny that the methods of collective security embodied in the Covenant of the League of Nations have broken down over large areas of the world to be replaced by a system of power politics. Indeed, it is apparent that the world is dividing itself into armed camps, differing little from the situation prior to 1914. Over and against this, however, must be placed the wider recognition of great democracies of France, Great Britain and the United States in the maintenance of the peace. This has been reflected in both official and informal statements in all three countries and especially in the utterances of the President and Secretary of State of the United States."

"In the economic sphere, there has on the whole been some further improvement. Recovery continued in most countries, at least until the Autumn, when, with the decline in prices and the sudden recession in the United States, the upward movement was arrested. It must, however, be recognized that recovery, particularly in Europe, has been increasingly dependent upon the construction of armaments. This influence resulting from political distrust and fear has undoubtedly had a directly stimulating effect on business activity. Inevitably, however, the construction of armaments has at the same time resulted in a growing sense of economic insecurity which has intensified speculative changes, fortified nationalism and militated against revival of long-term investment, especially of an international character."

Continued Revival of World Trade

"One of the most favorable developments of the past year has been the notable expansion in the volume of world trade. Despite the multiplicity of economic and political barriers, the international movement of goods was substantially larger this year than in 1936 and indeed was close to the pre-depression level of 1929. According to the figures published by the Economic Section of the League of Nations, the aggregate volume of world trade was roughly 15% greater during the first nine months of 1937 than during the corresponding period of the previous year. The slow expansion of trade which characterized the early years of revival was accelerated in the latter half of 1936 and the first half of 1937. By the second quarter of the past year, the League of Nations' Index at length reached the level prevailing in 1929. While in the third quarter the upward movement was arrested and followed by a moderate decline, the Index still remained substantially higher than at any time in 1936."

"One of the principal reasons for this encouraging increase in international trade is to be found in the improvement in the relationship between the prices of raw materials and those of finished products which occurred in 1936 and in the early part of 1937. From the middle of 1936 to March of the past year quotations for raw materials rose substantially and in some cases abruptly, while prices of finished products increased but moderately. Thus, the large number of countries whose prosperity is heavily dependent upon the market for raw materials enjoyed an increase in the value and volume of their exports. The effects of this development was in part to improve the trade balances of such countries and in part to permit a considerable increase in their imports. In this way, the stronger demand for raw materials on the part of Europe and the United States was soon reflected in wider markets for the manufactured products of these industrial nations in the raw material-producing areas of the world."

"It may be that this improvement is passing, for since March prices of raw materials have been falling. If commodity markets strengthen and recently there have been indications of greater firmness—the bulk of the gain in world trade may well be maintained and followed by further expansion."

Stability of Foreign Exchanges Important Factor

"Another factor which has facilitated the improvement in international trade has been the approximate stability of the foreign exchanges. With the single exception of the French franc, the main currencies of the

world have been fairly steady during the past year. Above all, the exchange rate between sterling and the U.S. dollar and the sterling bloc and those which are in the orbit of the dollar have shown practically no change. The fact that the recent sharp depreciation in such an important currency as that of France was accompanied by no significant depreciation in any other currency is a striking tribute to the efficacy of the Tripartite Agreement. Though the decline of the franc below the level originally contemplated by the Agreement may be unfortunate, it has taken place, nevertheless, with the minimum of friction and disturbance in the sphere of international economics."

Need for Further Reduction in Trade Barriers

"During 1937 there was a modest reduction in the barriers to international trade. Some countries, of which Canada was one, made significant if moderate decreases in their tariffs. New trade agreements were negotiated of which that between the countries of the Oslo Convention and that between Great Britain and Canada were among the more important. Some exchange controls were relaxed and according to League of Nations authorities the actual administration of such controls and clearing agreements was in many countries made less rigid. There were, however, some changes in the other direction, the most striking example being the adoption of a complete system of exchange and trade controls by Japan. Generally speaking, though some progress was made in the direction of freer trade, the major restrictions to the international movement of goods still remained."

"Now that the recovery in trade appears for the moment to have been interrupted, it is more important than ever that further steps should be taken to lower the barriers which still obstruct the flow of goods from one country to another. Today as formerly the power of initiative lies primarily in the hands of the great creditor nations and above all in those of Great Britain and the United States. For this reason, the recent opening of trade negotiations between these two countries is of the greatest significance. A treaty between the United States and Great Britain would tend to reduce the barriers to trade over a very large part of the world. A truly successful agreement would hold vast promise for the further revival of trade and thus for the continuance of world recovery. The price of success is willingness to make concessions in the spirit of give and take, not only by the two parties directly involved but also by Canada and the other British Dominions."

Recession in the United States

"Before turning to the state of business in Canada, it should like to say something about another development of major importance to Canadian business—namely the recent recession in the United States. As is well known, business activity in that country has declined sharply since last Summer. From August to November, the latest month for which complete data are available, the Federal Reserve Board's Index of Industrial Production fell by no less than 23% while Factory Employment, according to the official index, decreased by 8%."

"Although the business situation previous to last August did not suggest the possibility of such sudden and drastic declines, there was perhaps a good reason to expect some interruption in the upward trend. The least favorable element in the situation was the failure of private investment to increase, as was shown by the small volume of new capital financing and the continued low level of construction work. There had also been some reduction in expenditures on the part of the Government and a pronounced decline in the amount of inflationary deficit financing. In addition, purchases of equipment and supplies on the part of the railways had been considerably reduced. Inventory losses resulting from the fall in commodity prices, rising wage costs and serious labor disturbances had induced an attitude of caution in the business community. In addition, the inflationary pressure of the huge volume of unused banking resources had been lowered by the financial measures taken last Spring, while the heavy government outlays accentuated uncertainty as to the outlook for commodity prices and gold."

"In one respect the situation was similar to that prevailing in 1929. Raw material prices were declining and some costs were tending to increase. There was, however, no serious accumulation of world stocks of raw materials such as that which marked the year before the depression. In other important respects, too, the situation was essentially different from and more favorable than that of 1929. There was no stringency in the money markets, indeed there was still a plethora of idle funds awaiting investment. Though many of the heavy industries had experienced a marked improvement, there had been no sustained boom nor had there been more than a very moderate expansion in the amount of new construction. Furthermore, there had been no reduction in farm buying power but rather a substantial increase."

Background Does not Indicate Another Depression

"In the light of these facts, it is clear that the economic background was not conducive to the onset of another depression. The very rapidity of the fall in production, combined with the maintenance of retail sales at comparatively high levels, suggests that inventory adjustments may be made quickly. It is to be hoped, and I believe there are good grounds for the opinion, that the present contraction of business in the United States will prove to be no more than a temporary if severe recession, in character

not dissimilar to those which occurred in the latter part of 1933 and in the Summer of 1934."

Reflections of the Slump in United States on Canadian Business

"In face of the pronounced decline in production and employment to the south of the international boundary, business in Canada has been remarkably well maintained. The official indices of employment and production in this country have continued at peak levels during the period of recession in the United States. As an indication of the general trend, this Bank's Cumulative Index of Business in Canada reached the peak of the recovery movement in September and from then until November (the latest month for which complete statistics are available) has declined by only 1%."

"We should, however, be unduly optimistic if we were to assume that such a state of affairs could continue for long. The event of further deterioration in the United States. Our business and financial ties with that country are so close and its economic preponderance is so great that a continuance of recession in the neighborhood is inevitable and its effects will be reflected in contracting business here. As is well known, our domestic stock market has as usual followed that of New York, while in the last few months exports to the United States have generally been declining. Another striking result of the American slump is to be seen in the transformation, almost overnight, of the favorable outlook for the pulp and paper industry into one of doubt and uncertainty."

"It follows then that the immediate prospects for Canadian business depend principally upon the course of events in the United States. This is particularly true at the present time for there is little probability that the Canadian economy will receive added stimulus from its other great customer and creditor, the United Kingdom. Although business in Great Britain has been better than during the previous year, the upward movement has been arrested and according to the London Economist has been followed by some slackening in the rate of industrial activity. If the recession in the United States is soon halted and followed by a resumption of recovery, and this as I have already suggested is not improbable, Canadian business may well escape some at least of the difficulties with which the United States is now confronted."

Pronounced Improvement in Canadian Business

"Looking back over 1937 it is apparent that business in Canada was much better than during the previous year. Production of minerals, forest products and manufactures as well as of many farm products showed substantial gains. Indeed, with the single exception of wheat, output of almost every major commodity was greater than in 1936. Prices were on the average considerably higher, despite the declining tendency of recent months. As a result of this expansion of production and the price level, the national income of Canada was notably larger than in 1936. A provisional estimate, based on general statistics of production and prices suggests an increase of from 8 per cent to 10 per cent in the money income of the nation."

"One of the most encouraging features of this general improvement was the further marked advance in the volume of employment and the consequent reduction in the relief rolls. The recovery generated by the enlargement of our export business has gradually tended to become cumulative, giving rise to a secondary expansion of production and employment in the industries which are mainly dependent on the domestic market. Thus, though the increase in the value of exports was less pronounced last year than the year before, there was no slackening in the growth of the national income. The spread of recovery and the improvement in the price level have been associated with a sharp rise in the value of import trade. During the first eleven months of the past year imports were valued at \$756 million, representing an increase of no less than 30% over the corresponding period of 1936. This development in no sense a cause for concern. It is, rather, a striking indication of the broadening nature of recovery."

Imports Rise

"Canada's international position remains very strong. While imports rose more rapidly than exports, thereby reducing the 'favorable' balance of merchandise trade, the net receipts arising from tourist expenditures increased appreciably. Over the whole field of current international transactions, it appears that there will be a heavy credit balance. Though the credit balance over all is unlikely to be as great as the unprecedented total of around \$300 million in 1936, it may well be of the neighborhood of \$250 million. At a time of uncertainty in economic conditions abroad, our strong international position is an asset of no small value."

"In conclusion, it may be said that with the notable exception of the 'drought' area, the state of business in Canada has been steadily improving. If economic and political affairs beyond our borders were of a generally favorable nature, we could look forward to further and more rapid improvement. It is clear that the immediate outlook hinges principally upon the progress of events in the United States. A resumption of recovery to the south of the international boundary would undoubtedly save this country from any marked recession in business activity. From a longer-term standpoint, the prospects for Canadian business must depend upon the development of world trade and upon the settlement of international political difficulties."

Mining Sets Pace of Recovery

"Among the main industries, mining set the pace of recovery closely followed by forestry. The official preliminary estimate places the gross value of mineral production in 1937 at a new record of \$452 millions, 25 per cent higher than in 1936. The greatest gains were shown in the base metal group, especially by copper and nickel, while gold production at a new all-time record was considerably greater than in the preceding year."

Other Canadian Business Well Maintained

"The forests of Canada added substantially to the national income. The cut of timber was much larger than in the preceding year, both for pulp and for lumber. Newsprint output, indicative of the fortunes of the pulp and paper industry, increased by 14 per cent and was greater than in any previous year. While the market for lumber has recently weakened in response to curtailed demand from Great Britain and the United States, the total value of the year's production was well in excess of that for 1936."

"In the field of manufacturing generally, the most striking development was the acceleration of improvement in the industries producing durable goods, such as iron and steel, machinery, automobiles and electrical apparatus. The rise in production and employment in this division of manu-

facturing was much more pronounced than in the previous year."

"Even the long depressed building trades were busier, though the value of construction contracts awarded during 1937 was still far below pre-depression levels. In response to rising individual incomes and assisted by the Dominion Housing Act and the Home Improvement Plan, more houses were built and existing dwellings were improved. There was also a moderate increase in the construction of buildings for business purposes such as stores and offices. The greatest gain, however, took place in industrial construction indicating that long-deferred modernization and extension of factories was at last being undertaken."

"From the standpoint of agriculture the year was overshadowed by the unprecedented drought in Saskatchewan. The yield of wheat in that province averaged only two and one-half bushels to the acre and large areas harvested nothing whatsoever. Because of the almost complete lack of income over a great part of the province, the majority of the farm population is now dependent in varying degree on relief payments."

"Yet despite the sharp reduction in the value of wheat, the net income of agriculture for the Dominion as a whole was probably greater in 1937 than in 1936. From present indications, it appears that the lower level of income at the present time has more than offset by substantial increases in receipts from the sale of livestock and dairy produce. The notable gains in the retail sales of country general stores during the last few months in the export of wheat, however, strongly suggest an enlargement of farm buying power."

"While the railways were somewhat busier in line with the general increase in production, the improvement was limited by the small volume of wheat traffic. The moderate advance in the gross revenues of the two great lines arising out of the net increase in freight traffic was largely absorbed by higher operating expenses. As a result, there will be little or no reduction in the amount required to cover the deficit of the publicly-owned system."

Canada's Foreign Trade and Business Recovery

"Last year, as in the preceding years of revival, the general upswing in business activity was largely attributable to the effects of increased export receipts. The greater income of the primary industries of mining, forestry and agriculture has resulted directly from improved conditions in foreign markets. The disbursement of export receipts, and the large amount contributed by the tourist trade, has been reflected in the entire structure of business. Among the secondary industries not directly stimulated by external demand, those manufacturing consumers' goods were the first to feel the benefit of rising income in the export industries. With the steady increase in the national income, the need for replacement and enlargement of the country's capital equipment has been gradually translated into expanding demand for durable goods, including construction work, has risen considerably. As I have already pointed out, the improvement in the durable goods group was last year especially notable. The recovery generated by the enlargement of our export business has gradually tended to become cumulative, giving rise to a secondary expansion of production and employment in the industries which are mainly dependent on the domestic market. Thus, though the increase in the value of exports was less pronounced last year than the year before, there was no slackening in the growth of the national income."

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General Manager's Address

Mr. H. F. Patterson, General Manager, then addressed the Meeting as follows:

"The improvement in general business which characterized the three previous years was accelerated in the early part of 1937. Although some slackening in the improvement occurred later in the year due to the decline in commodity prices which commenced in the Spring and to the recession of business in the United States in the Fall, operating conditions as compared with those of the previous year were reasonably good, interest rates were relatively stable and there was an increased demand for commercial loans. The result is that in the 106th Annual Report which we are submitting today we are able to show an improvement for the year of some \$55,000 in profits after taxes."

"The net profits for the year after

payment of \$460,481 in taxes to the Dominion and the Provinces were \$1,382,140, from which we have paid the usual dividend of 12%, have contributed \$180,000 to the Officers' Pension Fund and have written off Bank Premises \$250,000, with the final result that the balance carried forward, which was \$803,316 at the commencement of the year, has been increased to \$915,456."

"At times one sees criticism directed at the rate of dividends—in our case 12%—paid by the chartered banks to their shareholders, but such criticism does not take cognizance of the fact that the rate of dividend is not the real return on the shareholders' investment, which is represented by the combined Capital and Reserve Fund. Our Reserve Fund, which is largely made up of premiums contributed by shareholders on new issues of stock from time to time, is, as you know, double our Capital. When this is taken into consideration, the dividend paid in our case is only 4% on the total value of the shareholders' investment and this is the real return received by the shareholders. Even under present conditions such a rate can hardly be regarded as excessive."

"It will be noticed from the profit and loss statement that Dominion and Provincial taxes are almost \$14,000 lower than those shown in 1936. Part of the decrease is accounted for by a smaller amount of taxes on notes in circulation in keeping with the statutory reduction in our note circulation privileges, and part is due to the slightly lower income tax due to increased income from tax-free bonds, which we had purchased as short-date investments. The last of such issues matured on December 1, 1937, and hereafter all revenue from Government issues will be subject to taxation."

"Notwithstanding the foregoing our tax payments are still high; in 1937 we paid the various taxing bodies in Canada \$1,013,000 and in other countries \$134,000 so that our total tax bill was \$1,147,000. Comparison of this amount with the dividends paid, viz., \$1,440,000 gives an indication of the extent of the burden of taxes on the earning power of the Bank. We are mentioning this not in a complaining mood but merely for the information of our shareholders. We realize that the demands on the public purse are heavy and that these demands can be met only by taxation; we appreciate as well that all business enterprises must bear their full share of this burden. The only occasion on which taxes levied on the Bank are discriminatory and inequitable when compared with those levied on other corporations."

Mr. Patterson then reviewed in detail the balance sheet of the Bank and made comparisons with the previous Statement. He mentioned that the Bank's total cash holdings were 20% of public liabilities and that quick assets were 70%. In his statement of the Bank's investments he said: "The average term of our investments is not long and approximately 80% of our total investment holdings will mature within ten years." He expressed satisfaction at the increase in the Bank's current loans in Canada. He explained that the "increase is accounted for by a greater demand for advances by our commercial customers to enable them to handle the increased volume of business offering during the year, and occurred notwithstanding a sharp falling off in our loans against grain due to the short crop harvested in the Prairie Provinces."

Improvements in the Public Finances

"Turning to the situation in the sphere of finance generally, one of the most encouraging developments of the past year was the notable improvement in the state of the public finances, particularly in the case of the Dominion and some of the Provinces. In response to improving business and growing imports the Dominion Government's revenues have expanded substantially and have been well ahead of budget estimates. Meanwhile, the aggregate of expenditures—ordinary, special and capital—has shown a change. While the exceptional severity of the drought in Saskatchewan has involved a marked increase in expenditures for relief in drought-stricken areas, the cost of relief elsewhere has been declining steadily, so that the total deficit has been reduced. The deficit of the Canadian National Railways has been running somewhat higher than in the previous year, a fact which is also attributable in some degree to the rate of the Western drought and the consequent lack of wheat traffic. From present indications, it appears that the total deficit of the Dominion during the current fiscal year will be appreciably less than the budget estimate. Certainly the deficit of \$87 millions in the preceding fiscal year. According to a recent statement by the Minister of Finance, the only obstacle in the path of a balanced budget is the cost of drought relief in the West."

"The notable reduction in the Dominion Government's deficit has been paralleled by the restoration of balanced budgets in some of the Provinces and in many of the municipalities especially in central and western Canada. The general improvement in Canadian public finances has been a direct reflection of the steady growth of the national income since 1933. As the country's income has risen, taxes have yielded larger amounts and special expenditures for unemployment relief have recently shown a considerable, though belated, decline."

"While the general state of the public finances is thus much better than for some years, it is still by no means satisfactory. Certain areas of the Dominion, notably the Prairie Provinces, have not shared fully in the revival of the national income with the result that the financial problems of government in the West have remained acute. This condition of affairs was an important factor leading to the appointment of The Royal Commission on Dominion-Provincial Relations whose present efforts will, it is to be hoped, point the way to more efficient relationship between the Dominion and the Provinces."

"It would be idle to deny that the present burden of taxation bears heavily upon the business structure of the country. During the last few years about one out of every five dollars of the national income has been absorbed by taxation, and of the dollar paid in taxes, roughly 40c has been required for interest on the public debt. Though this burden is obviously great, there is little immediate prospect of a general reduction in rates of taxation, for the present revenues are scarcely sufficient to cover total government expenditures including debt service. While there may be some room for further economies, it is clear that prospects for any considerable reduction in the burden of taxation must depend upon further expansion in the national income. With a continued rise in the nation's income, the ability to pay taxes would increase and thus the real burden of taxation would be reduced, even if present rates were to be maintained."

The Importance of Export Trade

"As the President has already stated and as we have repeatedly stressed in recent years, expansion in the national income of Canada depends primarily upon the growth in the value of our export sales. The recovery that has thus far taken place has been mainly a reflection of a marked increase in receipts from our foreign trade and from our tourist business. Similarly, the outlook for the future depends in great measure upon the course of Canadian exports which in turn is closely related to the state of business in our principal markets."

"Though the value of commodity exports during 1937 was considerably larger than in 1936, the trade returns for the past few months have shown a declining tendency. To a large degree this downward movement reflects the small volume of wheat available for shipment. It also reflects, however, a general reduction in sales to the United States. In the light of this situation, the course of events abroad and particularly in the United States and Great Britain is of the greatest significance for Canada."

"While conditions in external markets are clearly beyond our control, we can do something to facilitate export trade by showing a continued willingness to accept imports in exchange. In the final analysis international trade, like any other type of trade, represents an exchange of goods and services. If one side of the transaction is unduly restricted by artificial barriers, trade as a whole is bound to suffer."

Pays Tribute to Staff

"My remarks would not be complete without my acknowledgment of the loyal co-operation which I have received from the executive officers, the managers and the staff of the Bank throughout the year. We have at our various offices in the Dominion and in the other countries where we are represented a staff of roundly 2,500 men. The statement submitted to you today is, I think, the best evidence that could be provided of the efficiency with which they perform their duties."

COMING EVENTS

THE public concert of the Women's Musical Club at Eaton Auditorium on Thursday afternoon will present Adolph Koldofsky, the eminent pianist and former associate of Ysaye, with Gwendolyn Williams as her accompanist, and Francis James, the well-known and popular lyric soprano.

MAESTRO Giuseppe Moschetti, who will give an organ recital on February 5 in the Eaton Auditorium under the sponsorship of the Canadian Institute of Italian Cultural Studies, is a Fellow of the ancient and famous Philharmonic Academy of Bologna. This Academy has had its scholars a long line of illustrious musicians, amongst whom was the renowned Padre Martini (1706) one of whose compositions will be played on that evening.

Mr. Moschetti will also play a composition by the great Frescobaldi (1583) whose fame was such that when he played for the first time in St. Peter's, Rome, more than thirty

DAWNING LIGHT

YOUTH does not know. The many-sidedness of truth. Joy is its goal. And laughter and the warmth of sun and air. But in the autumn of our days, An inner vision grows, which lights The age-old mystery of pain. There is a beauty of the tempered steel As lovely as the blush of brier rose.

HARRIET WHITCOMBE.

Westmount, Que.

thousand people went to hear him. A man of gigantic genius, Frescobaldi brought the fugue, more than a century before Bach, to the height of that great master.

ANNA and Jean Macdonald, pianist and mezzo-soprano respectively, will give their joint recital at the Mallory Galleries, Grenville Street, on February 2. Their program will range from Bach to Stravinsky and will include Beethoven, Chopin, Brahms and Debussy numbers.

BUTTERWORTH'S "The Banks of Green Willows", an idyll for small orchestra, will have its first Toronto performance at the Conservatory Orchestra's concert in Convocation Hall on Thursday evening, February 3. Ettore Mazzoleni, conductor, has arranged an adaptation for string orchestra from an old manuscript of Bononcini's Overture to "Muzio Scaevola" which will be heard for the first time at this concert. Other items include: "Fingal's Cave" by Mendelssohn; Borodin's Symphony No. 2 in B minor; and Rheinberger's Concerto for Organ and Orchestra, with Helen Hopkins at the organ. Miss Ferguson is holder of the Marion Ferguson Organ Scholarship.



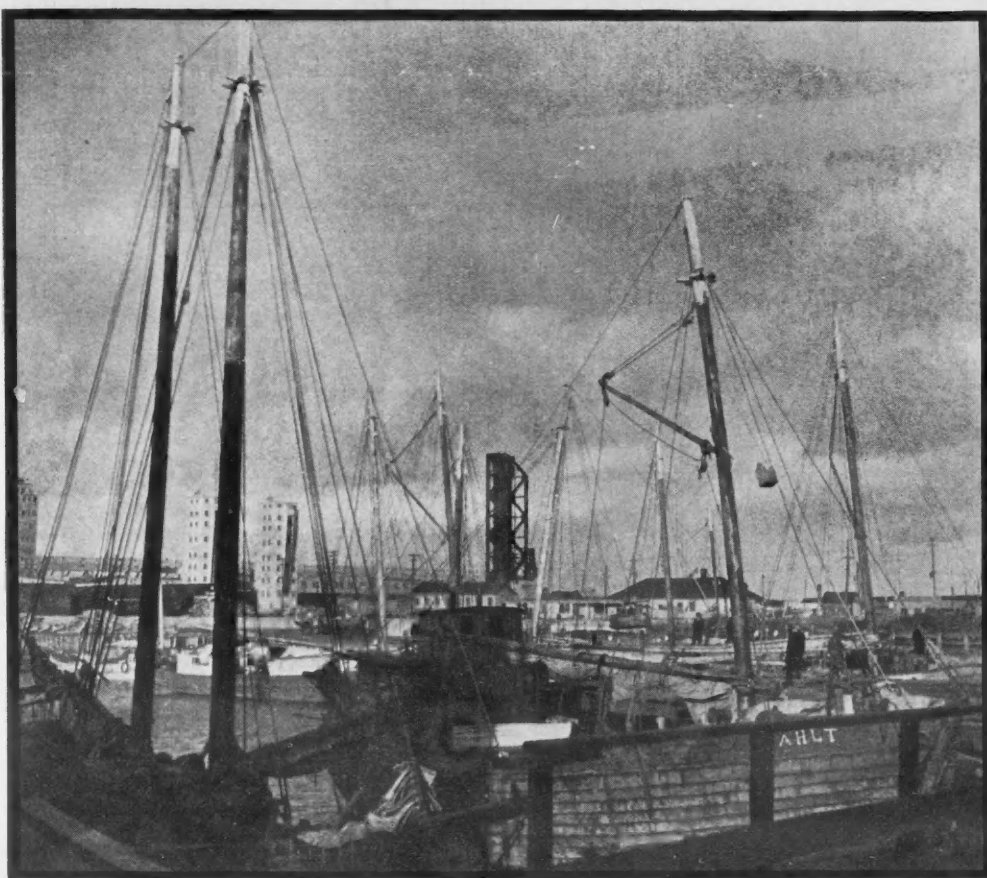
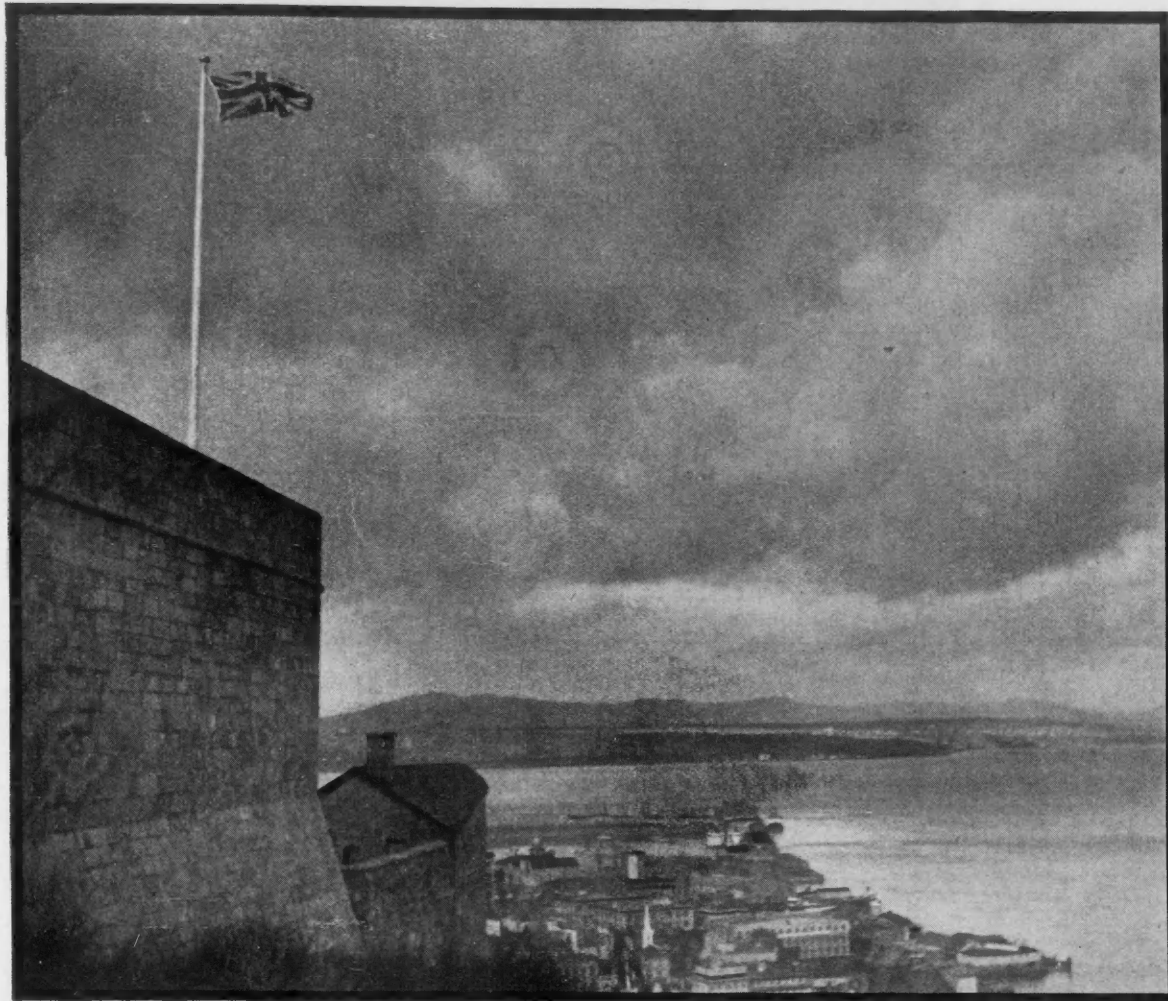
MRS. CLARENCE MacGILLIVRAY, of Detroit, International President of Alma College Council, who will preside at the Alumnae Meeting and will be guest of honor at the Toronto Alumnae dinner in the Royal York Hotel Saturday evening, January 29.

SATURDAY NIGHT

PEOPLE * TRAVEL * FASHION * HOMES * LETTERS

TORONTO, CANADA, JANUARY 29, 1938

SHIPPING, SKYSCRAPERS AND ROMANCE IN QUEBEC

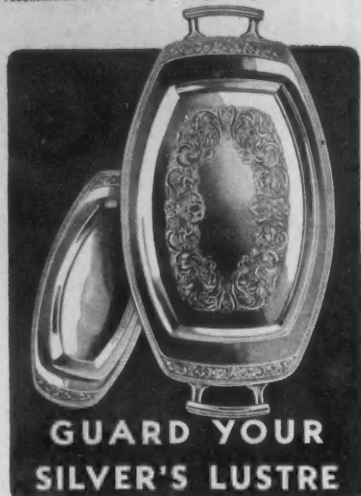


THE WATERFRONT of Quebec City is unrivalled in pictorial quality by any harbor on the coast of North America, for it combines the picturesqueness of wharves and shipping with the romantic touch due to great age, an Old World atmosphere, and many relics of the days when it was a very powerful fortification. Old guns look out from old parapets at the last word in modern grain elevators; great liners berth with ferry-boats, skyscrapers rise among eighteenth-century churches, and over all floats the British flag upon the towering masonry that was the key to half a continent.

—Photos by Eric Butterworth, Toronto.



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ATLANTIC CITY

THE DISTAFF SIDE

BY MARIE CLAIRE

ALFRED, LORD TENNYSON may
indeed be outmoded, but he might
have been describing St. Agnes's
Eve 1938, when he said "deep on the
Convent roof the snows lie glittering
to the moon."

Tradition offers any trusting maid-
en a vision of her future husband
on the eve of January the twentieth.
A few preliminary ceremonies are
of course necessary; twisting her
right-leg stocking through her garter
while reciting "I knit this knot, this
knot I knit, to know the thing I
know not yet" (quite naturally pro-
nounced "yit"), and so on. John
Keats wrote a poem about it. It all
seems oddly out of character with
Agnes, who was, we understand a
gentle Roman girl who had no inter-
est in husbands but endured prac-
tically every other form of distress
and finally martyrdom under Diocle-
tian. To us, and apparently to many
others equally ignorant why, she
seems rather an endearing little
Saint. Probably because her name
is associated with her emblem, a
small woolly lamb.

MR. PERCY GRAINGER the cele-
brated Australian pianist sur-
prised a large proportion of his To-
ronto audience at his recent concert
by not playing the Londonderry Air
for one of his encores. Mr. Grainger
held out and won. Musicians popu-

Who could fail to be impressed by
the information that Spring begins
in Ontario and Quebec at 1.43 a.m.
on March 21st. It's as sure as that.

The Golden Number for 1938 is
number one. Mark that, and stop
puzzling over that table at the front
of your Prayer Book; if that's how
you have been spending your even-
ings.

The Dominical letter for 1938 is
B. We haven't figured out how to use
that one yet but one never knows
when such information will be price-
less.

Our Birthday is going to be on a
Friday this year, the Weather un-
settled, and our Zodiac sign is a goat
standing on its hind legs.

Curious facts about Ontario mar-
riages. How to make a whitewash
that will last thirty years outdoors.
To walk right. Play a game called
"Poor Doggie" and tell from the sun-
set that it won't be hot tomorrow
are other things we have learned too.

We are for more and bigger
Almanacs.

A DELIGHTFUL book for Child-
ren has come our way. We un-
conditionally recommend "In And
Out of Doors" by Clough Amabel,
Susan, Charlotte and Christopher
Williams—Ellis, (Toronto, Musson.
\$2.00)—to any family where there
are young.

It is a sort of juvenile "week-end
book" that will last the year round.
It has "Things to Read," a delightful
anthology of prose excerpts from such
diverse authors as Plutarch (Cleopatra's
visit to Antony) Thomas de
Quincy (Opium Dreams)—the Arab-
ian Nights, Edward Lear (The Four
Little Children who went around the
World) and other equally unack-
nowledged classics. Of poetry there is a
gorgeous assortment, including rare-
ly collected bits from the 16th, 17th,
and 18th century masters, and Bal-
lads that all Children adore.

There are chapters on pet animals,
including mice and hedgehogs and
fish! "How to Make Things," Tricks,
Games, Planning and Cooking meals
at home or in camp, a wonderfully
complete Botany section, and author-
itative advice on boats and sailing.

Three of its authors, and its illus-
trator are still in their teens, two are
still at school. Clough Williams—
Ellis, their father, is a celebrated



MRS. ROBERT BRUCE WEST, nee
Miss Virginia Corson, daughter of Mr.
and Mrs. Ralph Corson, of Toronto.
Mr. West is the son of Mr. and Mrs.
Robert Orr West.

—Photograph by Charles Aylett.

larly associated with certain works
have a pretty hard time avoiding
them. How often, for example is
Rachmaninoff allowed to leave Mas-
sey Hall without producing those
three smashing octaves that signal
his Prelude in C sharp minor?

The melody known as The London-
derry Air was an Irish lament col-
lected by an early Victorian musical
family named Ross from the folk-
melodies of Irish peasants. Sir
Charles Villiers Stanford found it
later in the Petrie collection to which
the Rosses had presented it. Mr.
Grainger took it over from Stanford
and harmonized it and arranged it
in various forms about 1911. Un-
fortunately lesser musicians have in
turn bowdlerized the lovely thing
and involved it with less than great
lyrics like "Derry Vale" and "Danny
Boy." Like Handel's Largo, had it
not been subject to such arrange-
ments it might have remained one
of the world's foremost melodies. How-
ever, it is still giving pretty general
satisfaction.

At the Symphony Concert last year,
Sir Ernest MacMillan conducting,
the orchestra played it magnificently.
This was a tribute to Mr. Grainger,
who was in the audience, and brought
down the house.

BECAUSE it is so apropos we pre-
face the following little tale with a
guarantee of its authenticity.

Several years ago a man we know
took the great French Mathematician
Chapelon, to hear the Toronto Sym-
phony Orchestra. Mr. Grainger's
famous arrangement of the Irish mel-
ody was on the program.

As host and guest slowly made
their way out of Massey Hall behind
two very imposing Toronto dowagers
our friend said to M. Chapelon.

"What do you think of that Derry
Air?"

"Which one?" said M. Chapelon,
without turning his head.

ALMANACS. — Astrological, medi-
cinal, literary, and prophetic are
no longer held in high esteem any-
where but in Persia we are told. It
seems a pity. There must be others
like ourself who find them very fas-
cinating.

Year by year, however, even the
Almanacs advertising patent medi-
cines grow smaller. The one dropped
in our letter box today is a poor thing
compared with its ancestors, but at
least we read it from cover to cover,
skipping as much of the advertising
matter as possible, but constantly
pausing to admire the beard that be-
got it, and has sold so many home
remedies.

LONDON SOCIETY

BY MARY GOLDIE

LONDON skies seem more leaden
than ever; the fogs are suffocating;
the traffic is noisier than ever
before—and all because I have re-
turned from the clear air, the mild
climate, the peace and quiet of the
Devon countryside. Here in London
Christmas is a thing of the past.
People are hurrying and scurrying
about their business. The "sales" are
on and the shop windows which were
so beautiful at Christmas time are
now full of bargains. The aftermath
of the season's festivities has set in.

Just before leaving Devon, I walked
one day to see a really beautiful house
near where I was staying, which was
formerly the property of Mr. Gran-
ville Barker, the playwright, and
which has now been prebought by Mr.
Barrington Deacon of Vancouver. It
is a lovely Tudor house, surrounded
by grounds and gardens such as one
imagines but rarely sees. Mr. Deacon
is at present living at Yeovil, a small
town near the house, and is planning
to spend the next twelve months in
renovating and furnishing his beauti-
ful home.

Meanwhile in London Canadians
come and go. Pilot-Officer R. N. Niven
of Calgary is with the R. A. F. at
Driffield. Mr. R. A. Jack, R. A., and
Mrs. Jack of Montreal have arrived
to spend the winter in England. Mr.
and Mrs. R. O. Mitchell of Toronto
who arrived here some time ago are
now living in St. John's Wood. Mrs.
Mitchell was Miss Mary Robertson
of Toronto. Miss Joan Hastings,
daughter of Mr. and Mrs. J. Ogilvie
Hastings of Montreal is in London, a
pupil at Miss Spicer's school. Lt. Com-
mander R. E. S. Bidwell, R. C. N., and
Mrs. Bidwell and their three sons
have arrived from Canada on the
"Ascania". Lt. Commander Bidwell
will attend the Staff Course of the
R. N. C. Greenwich and he and his
wife are at present looking for a house
near Hythe.

MISS Ruth Cunningham, only
daughter of Mr. and Mrs. W. H.
Cunningham of Toronto is here study-
ing philosophy at the London Univer-
sity. Miss Marjorie Mackenzie, daugh-

ter of Mr. and Mrs. W. C. C. Mackenzie
of Toronto, is in England on an exten-
sive holiday. Mrs. Ewart Osborne
of Toronto has arrived in England and
will spend some time with her daugh-
ter, Mrs. George Fawcette, in Farn-
borough, Kent. Miss Charlotte Dow
Macgillivray of Port Arthur is in Eu-
rope on holiday. Mrs. Macgillivray
will join her daughter in England
some time this month. Mr. and Mrs.
L. DeG. Beaubien of Montreal have
left Paris for Belgium and Switzerland
and expect to sail the middle of Janu-
ary on their return to Canada. Mrs.
W. H. Pepler of Toronto is at present
on a tour of England before she leaves
for Cairo where she will visit her
daughter, Miss Kathleen Pepler, who
is now living there. Miss Laura
Mitchell, who formerly lived in Prince
Edward Island and Nova Scotia, is
now in England painting miniatures
of celebrities. Miss Mitchell has been
President of the California Society of
Miniature Painters and has exhib-
ited this year with the Royal So-
ciety of Miniature Painters. She is
a great-granddaughter of Admiral
Mayne of the Royal Navy.

Miss Marjorie Hall of Calgary, who
has been in England since the Coro-
nation at which she was a member
of the Westminster Abbey Choir, is
returning to Canada early in the New
year. She has been studying dancing
and theatrical work in London.

HON. and Mrs. Vincent Massey were
at home last week at their house
in Hyde Park Gardens, to a number
of visiting and resident Canadians.
Among those present were Mrs. Alfred
Dobell and the Misses Dobell of
Quebec; Mme. Jeanne Dusseau and
Mlle. Dusseau; Mr. and Mrs. George
Pelletier of Montreal; Mr. and Mrs.
Charles Todd of New Brunswick; Mr.
and Mrs. W. N. Tilley of Toronto;
Mr. Graham Spry of Ottawa, and Pro-
fessor and Mrs. W. E. C. Harrison of
Kingston.

A representative team of 21 mem-
bers of the Royal Caledonian Curling
Club have sailed from Greenock for
Canada in the "Duchess of Bedford".
The team will play matches in most
of the principal cities of the Dominion

and will return home in the same ship
sometime in February.

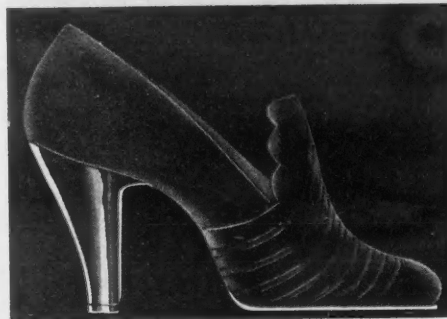
Mme. Dusseau sang the role of Eva
in Wagner's opera, "The Meistersing-
ers" at Sadler's Wells last evening.
Mme. Dusseau is becoming more and
more well-known here in London and
one sees her name frequently as tak-
ing part in and contributing to the
music of this great city.

I hear that Miss Kathleen Shack-
leton, who went out to Canada in the
summer, is indefinite about the time
of her return to England. Miss
Shackleton spent many years in Can-
ada before coming to this country. I
met her several times last summer over
here and at each time of meeting she
would talk about the great beauty of
our Canadian north and wonder when
she would get back to it. Our hopes
are that when she does return to En-
gland she will bring with her some of
her clever paintings of the country
she so much loves.



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PARTY IN QUEBEC. Pictured enjoying a sleigh ride in the Laurentians near
Montreal are, from left to right: Mr. J. R. Timmins; Miss M. Dye, Timmins,
Ont.; Miss Irwin, daughter of Mr. and Mrs. John Irwin, Montreal; Mrs. J. R.
Timmins; Mr. James Murdoch, Miss Murdoch and Mrs. Murdoch, of Toronto.

—Photo courtesy Quebec Tourist Bureau.

B'WAY THEATRE

BY JOHN E. WEBBER

BROADWAY came to the New Year with thirty theatres in operation, its peak for the season, and in spite of several changes of tenants since, this number continues. Twenty of these theatres housed what may be classed as "First Choices", the list however including such last season successes as: "You Can't Take It With You", "Yes My Darling Daughter", "The Women", "Having a Wonderful Time" (since departed), "Room Service", "Brother Rat" and that hardy annual, "Tobacco Road", now in its fifth year and no sign of quitting.

This leaves a good round dozen worthy survivors out of the current season's crop of fifty odd productions. Some of its failures have been regrettable, for instance "To Quito and Back", "The Ghost of Yankee Doodle", "Barchester Towers" and others, while such partial successes as those London imports, "George and Margaret" and "French Without Tears", deserved better of both critics and public.

Cornelia Otis Skinner too, in a solo performance of her full-length play, "Edna and His Wife", should have had a longer stay. But even with "the best cast on Broadway" and an admirably sustained performance, the run had to be curtailed to find more appreciative audiences elsewhere. The box-office, more than ever, has been the final arbiter and its decisions this season have not only been firm but prompt. And with few exceptions, not any too prompt at that. For those of us who plod our way nightly to the Rialto to report on new offerings, many of these decisions might even have come a night or two sooner.

OMITTING the "left overs" from last season, we have named, our list of remaining first choices would be: "Amphitryon 38", that gay romp of the Lunts in the connubial infi-



MISS BETTY BLAIR of Trinity College who will play the leading role of "Elizabeth Bennet" in the University of Toronto Drama Committee's presentation of "Miss Elizabeth Bennet" at Hart House Theatre on January 31 and February 1 and 2.

—Photo by Ashley & Crippen.

delities of the old Greek fable, adapted by S. N. Behrman for the stage.

"A Doll's House", in a welcome, vivid revival by Jed Harris with the talented Ruth Gordon enacting a more youthful Nora than this generation has seen.

"Father Malachy's Miracle" in Torontonians Brian Doherty's very fine stage version of the novel, Delos Chapell's sympathetic production and Al Shean's remarkable characterization of the gentle, humorous priest.

"Golden Boy", Clifford Odets' new and thrilling play, admirably produced by the Group Theatre.

"I'd Rather Be Right", the play that spoofs lightly Washington administration with George M. Cohan as F. D. R. himself.

"Many Mansions", romance and a daring effort to put Christianity back into the church.

"Of Mice and Men", John Steinbeck's own dramatization of his own novel of the same title, in a thrilling and haunting performance.

"Susan and God", Rachel Crothers at her best and wittiest, in a brilliant satire of those who "take up" religion as a social toy, with Gertrude Lawrence in a dazzling performance as Susan.

"The Star Wagon", Maxwell Anderson's romantic comedy with nostalgic hints, wherein a pair of dissatisfied aging lovers are returned to the crossroad of youth to choose over and, of course, find that they were right the first time.

IN THE musical (more or less) line there are the Winter Garden revue, "Hooray for What", with Ed Wynn in person and in fine form: "Between the Devil", brought from London and repeating its success here, with Jack Buchanan, Evelyn Laye and, London's latest and most charming gift to the New York stage, Adele Dixon; and "Three Waltzes", also a Shubert production, with Kitty Carlisle and Michael Bartlett in the leading roles.

Not to be overlooked also are the Mercury Theatre's remarkable productions of "Julius Caesar", that venerable comedy by Thomas Dekker, "The Shoemaker's Holiday", brought to happy vigorous life and a savagely humorous social cartoon, with music; and "The Cradle Will Rock", by Marc Blitzstein, which last summer created consternation in Federal theatre circles. These are all to be seen in modern garb, with little or no scenery, and if you take the earnest persuasion of critics, and are interested in the theatre's vitality, you will not miss them.

To this pre-holiday list may now be gratefully and greatly added the new Priestley comedy, "Time and the Conways", with Dame Sybil Thordike at the head of a notable London cast. This is the season's, and Mr. Priestley's,



IN BROADWAY SUCCESSES. Left, Ruth Gordon and Dennis King in a scene from their revival of "A Doll's House". Right, Adele Dixon, Jack Buchanan and Evelyn Laye in "Between the Devil" which is now repeating its London success on Broadway.

best gift to the theatre to date, its only current rival, for those who take their minds to the theatre, being "Susan and God". It is the post-war story of an English family told in two periods, 1919 and 1938. War is over, Robin, an ace, has just been "demobbed", and the first act shows us the re-united family joyously celebrating the 21st birthday of a daughter, Kay, with charades. Kay, the imaginative one, is a hopeful novelist already at work. Hazel, the beauty of the family, is out for a romantic marriage. Madge, the eldest, a socialist and reformer, is out to make the world a better place, a world of peace and happiness. Allen, a one-stripe corporal in the war and now a humble clerk in the city, is the contented philosopher and dreamer. Carol, the baby, is a spreader of good cheer. The mother (Dame Sybil) reigns gaily and lightly over all.

THE second act nineteen years later shows the family dejected by defeat, torn by hatreds, bitter and resentful. Kay, the novelist, has become a penny scribbler. Madge, the socialist, an embittered angular school marm. Hazel, the beauty, has married a prosperous little bounder and sunk to his social level. Robin, the war ace of high promise, a ne'er-do-well, drunkard and deserter of his wife and family. Joan, his sweetheart of the first act, an embittered wife. Little Carol has, fortunately, died, and Allen, the dreamer has alone survived the spiritual wreck. The third act is a continuation of the first wherein the hopes and dreams we have seen shattered are set forth.

Mr. Priestley, of course, has introduced certain theories of time, expounded in his "Midnight on the Desert", wherein lives are lived, not in parts, but as one whole in which past, present and future exist simultaneously. He doesn't expound this theory in his play but he does use it as an effective dramatic device. To Kay, the imaginative one of the Conway family, he gives this present knowledge of the future, and the second act, we have witnessed is her horrified knowledge of what is in store for the members of the family, in contrast with their gay dreams. Happily a line of Blake and a note of cosmic optimism are invoked to relieve the terror of that final scene. "Time and the Conways" is a play of real stature, clever craftsmanship, imagination and pointed characterization. And perfectly is it cast, especially in the role of Kay, taken by Jessica Tandy, a new comer to these parts.

Other New Year offerings that can be commended are a musical comedy, "Right This Way", with Guy Robertson, Tamara and Joe E. Lewis, a real comedian; and the London Intimate Opera Company of three, in four short operas of early English vintage, to each program.

LETTERS

DISTINGUISHED VIOLINIST

Editor, SATURDAY NIGHT:

IT IS regrettable that in "Da Capo 1887-Al Fine 1937" the name of the distinguished violinist, Mrs. Drechsler Adamson, was forgotten. Coming to Canada with a European reputation she entered wholeheartedly into the cause of music here. She was concertmaster of the Philharmonic Symphony Orchestra under Dr. Torrington, and also of the Toronto Symphony Orchestra when Mr. Weisman conducted. She organized



MISS DORIS HYDE of Trinity College who plays "Lydia Bennet" in the University of Toronto Drama Committee's presentation of "Miss Elizabeth Bennet" at Hart House Theatre on January 31 and February 1 and 2.

—Photo by Charles Aylett.

and conducted the Senior Students' Orchestra of the Toronto Conservatory of music which gives to the pupils of that institution an incalculable musical advantage. It is unnecessary to mention her as a teacher—her pupils are too well known professionally. Like a true musician she was ever ready to help those who were unfortunately situated financially.

LINA DRECHSLER ADAMSON, Toronto.

NORTH CAPE BRETON

Editor SATURDAY NIGHT:

WOULD you please give me a few inches of space regarding a statement that appeared in your paper? I am quoted as saying that over 2,000

people in Northern Cape Breton are in a bad way from the point of view of lacking medical assistance and proper nourishment. Please correct this widespread incorrect impression, because neither condition exists there. On my flight North there was only one critically ill patient who died the same day that I was there; otherwise there was neither need of doctors nor food.

A. PHILIP MAGNET, M.D., North Sydney, N.S.

Editor's Note: The article which Dr. Magnet wishes corrected made no mention of any lack of medical assistance nor of any current lack of food in Northern Cape Breton. It did however attribute to him the report "that 2,000 inhabitants of that district were in a serious condition

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from malnutrition and lack of proper clothing" and that in some cases malnutrition was so severe and of such long standing that children 14 and 15 years old had failed to develop their second teeth.

TRAVELERS

Mr. and Mrs. Ray Lawson and their debutante daughter, Miss Jean Lawson, have left London, Ont., for

Miami Beach, Florida, stopping at the Boca Raton Club at Boca Raton and at the Nautilus at Miami Beach.

Mr. and Mrs. Hugh Lockhart Gordon have taken up their residence in Montreal at 415 Mount Pleasant Avenue, Westmount. Mrs. Gordon was formerly Miss Helen Gordon of Regina.

Mrs. Arthur Meighen, of Toronto, and Mrs. D. Roy Cameron of Ottawa, have left for Mexico, where they will spend the next two months.

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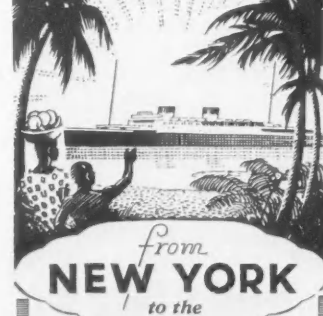
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THE DRESSING TABLE

BY ISABEL MORGAN

ANTOINE de Paris, being Antoine, always can be counted upon to make the natives sit up straight and pay their undivided attention. Especially when he produces some of his more nonsensical bits of delovely magic such as glitter-fleck coiffures. The newest is golden lips for evening, a feat made possible by a new gold lipstick. The gold has an undertone of red which gives the same effect of color as gold woven over red threads in lamé. It is pretty astonishing once you realize it is gold, but to the casual glance it merely has the effect of imparting a luminous glitter to the lips. Very Queen of the Nile and an *surcès fou* for one's grander moments.

IF YOU are numbered among the large company of admirers of those nice English preparations by Innoxa, you probably swear by them and refuse to think they can be improved upon. But Dr. Debat, the celebrated skin specialist according to whose formulae they are made is, like most scientists, constantly in search of new roads to perfection. The result is he has succeeded in producing a light feathery cleansing cream delicately perfumed for sensitive skins, containing all the cleansing properties of Innoxa Complexion Milk. It liquefies instantly on contact with the skin, penetrating into the pores and removing all impurities. It can be had in jars for the dressing table or tubes for use while traveling. And there is the new tissue cream, also prepared for sensitive skins, which he recommends for dry and wrinkled skins and for use in massage. Another addition to this group of toilettries is a new and delightful powder foundation called Cream of Roses. It comes in six tints—bronze, blonde tan, blush, peach bloom, brunella and pearl—to give an undertone of color that seems actually to belong to the skin when make-up is applied over it. Not only does it serve to protect the skin from sun and wind and act as a veil of concealment for freckles and skin blemishes, but it gives a flattering matt finish for day and evening make-up. And the Mayfair lipstick and Ruby cream also is available in two attractive new shades—Dawn, a dazzling crimson and Autumn, with brown tones like russet leaves.

SHOULD you not be open to conviction that silver threads lend distinction to your pretty blonde or brunette head you might investigate the merits of a shampoo tint called Instant Progressive Clairor the next time you have an appointment at your hairdresser's for a shampoo and finger-wave. The stuff comes in as many shades as there are of hair, and colors as it shampoos and reconditions. It is an extremely simple process without a trace of messiness, and leaves the hair shining and completely natural in appearance and color. Lasts from four to six weeks, and not even the most tactless husband will feel called upon to ask, "Haven't you done something to your hair?"

THE fashion of veils for evening suggests new ways of being dramatic. This year the general mood for "gleam and glitter" carries along with it heightened interest in alluring, glamorous effects, and eyes beneath the fine meshes of an evening veil will take on more expression if "well-groomed" and accentuated with mascara and shadow. Some of these evening veils are embroidered in gold or silver. With these might be worn a metallic shadow or lashes might be tipped with gold or silver.



MR. AND MRS. J. J. ASHWORTH, of Toronto, immediately before sailing from New York on the Empress of Australia to the West Indies and Rio de Janeiro.

Sequin trimmings on veil or dress could similarly be picked up in emerald, sapphire or violet eye accents.

NO NEED now when dressing hastily to hunt frantically through dressing-table drawers for just the right tints of rouge and eye shadow to harmonize with any frock. For neatly assembled in the good-looking Ivory finished Make-Up Box by Elizabeth Arden are four shades of Ardena Cream Rouge, and five shades of Ardena Eye Shadow. This make-up box contains Viola, a new shade cream rouge especially created to match the Viola lipstick, which is so lovely with blues and wine shades; Printemps, a delicate tint, especially lovely with evening or daytime pastels; Chariot, a youthful, rich flame-yellow, good with costumes of green or woody brown, which also simply must be worn with red of the same shade; and Victoire, a slightly blue-red rouge, excellent for general wear, with black and white, or reds of similar tone.

The creamy Eye Shadows in this make-up box include Gris Brun, a flattering grayish-brown tint that serves as a charming base when two shades of lid coloring are used; Military Blue, a clear true blue; Vert, a subtle green; as well as shimmering gold and silver for evening, either perfect to complement brilliant jewelry, lamé and sequin gowns.

TRAVELLERS

Mrs. Alex. Paterson, who has been abroad for several months, has arrived in Montreal where she is the guest of Lady Meredith.

Mr. and Mrs. W. H. Cawthra of Toronto, who have been in England for some time, are at present at the Grand Hotel, Monte Carlo, where they will remain until the end of February, returning to town in April.

Mr. and Mrs. Ralph Hees of Toronto, have left for California.

Mr. and Mrs. John Irwin and Miss Irene Irwin, of Montreal, have sailed by the Bremen for England.

Mrs. C. E. L. Porteous and Miss Frances Porteous have left Montreal to spend the remainder of the winter in Victoria, B.C.

Miss Isabel Macmillan, daughter of Lieut.-Colonel and Mrs. J. M. Macmillan of Vancouver, who has been



ARRESTING COLORS with a sun-drenched look give this beach outfit a character all its own. It's still the free and easy shirt, slacks and calot combination that is first choice of women who like comfort when they play, but the shirt is Spanish clay and the slacks are aqua. Both are made of coarse, close basket weave cotton and owe their gorgeous glow to their Californian origin in Los Angeles. From the Robert Simpson Company, Limited.

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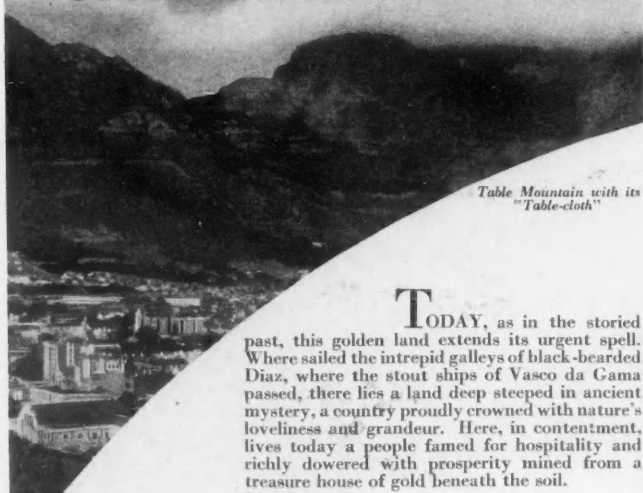


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SAILING DOWN TO RIO. Left to right: Mr. W. R. Oster, Mr. and Mrs. Reynold, L. Merry and Mr. and Mrs. Richard T. Fulford, all of Toronto. Mr. Bryson Shields (extreme right) was at the ship to see them off when they sailed from New York recently in the Canadian Pacific liner Empress of Australia for a thirty-two day cruise to the West Indies and Rio de Janeiro.

CONCERNING FOOD

BY CYNTHIA BROWN

MODERN Cookbooks may be helpful, practical and even, I've heard tell, occasionally entertaining, but none of them can really compete with the old timers.

If there is any modern manual as comprehensive and as charming as *Le Ménagier de Paris*—"A treatise on Domestic morals and Economy, composed about 1393 by a Householder of Paris," we have yet to meet it. This Goodman of Paris had it over Mrs. Beeton, with her complete Book of Household Management, like the proverbial tent. He wrote for the instruction of his 15 year old wife—he being a man of about seventy, and not only is it full of tender regard for her, and solutions of all her possible problems, but it is also an intimate picture of home life in the Middle Ages.

The first section of the book deals with his wife's moral duties—with plenty of suggestions for her attention to her probable second husband, which I think can only be described as handsome in the author. The second deals with Household Management, and touches on everything from the servant problem and how to keep fleas out of one's bed and mosquitoes out of one's room, to how to buy a horse without being sold a pup. There are, for instance, seven recipes for taking stains out of dresses—one offered for what it's worth with the pleasing conclusion "This I do not believe."

The third section is devoted to food and its choice and preparation. There are menus for High Days and Feast as well as Fast days, and all sorts of recipes, some of the nicest for "Small things which are not necessities," like

jams made with honey, and it is to be noticed that the French housewife in the 14th Century used carrots, turnips and pumpkins for jam, no stranger after all than the marrow jams of today. How to make Sweet Wafers, Candied Oranges and a powder of ground cloves, ginger, cinnamon, cardamom and sugar to sprinkle on fruit or puddings as we use sugar alone are among the rest.

Now there is a Cook Book.

IT IS A LONG leap from 1392 to 1938, but what are six centuries to a good cook? Pay attention while we sketch a few modern small things which are not necessities, but add considerable cheer to present day food. We are thinking specially of sauces, of which there is all too little variety on the average menu. All sauces are more or less a nuisance to make but some of them are worth it, particularly when you are out to impress the Joneses.

This is a famous English sauce as made by a well known Italian restaurant in London. The Italians are good at taking over what they have use for, from Kingdoms to sauces.

CUMBERLAND SAUCE

Mix
4 spoonful currant jelly
1 glass port wine
1 spoonful finely chopped shallot or mild onion.

Peel one orange and one lemon and boil the peel in water for 10 minutes. Drain and chop or slice it very fine. Add the juice of the orange and lemon, 1 small spoonful of English mustard, a little powdered ginger and a little cayenne.

Mix all the ingredients together and the sauce is finished.

This is the sauce for venison, ham, cold roast mutton or anything "gamey," like cold squabs. If the Italian's recipe seems a bit complicated you might encourage yourself by looking up Cumberland Sauce in that compendium of kitchen lore the Boston Cook book. There's complication for you. It can be, and is made in England without the port wine, but this is to discourage both it and me.

A mustard sauce to serve with hot boiled tongue or grilled herrings is so simple you will probably instantly forget how it is made. To 2 cups of white sauce it is only necessary to add one dessertspoonful of English dry mustard mixed with vinegar instead of water. Season the thing highly with salt and pepper and it is done.

SOUBISE Sauce is another simplicity. Boil onions in salted water for half an hour, drain and rub them through a sieve into a good Béchamel

Sauce.

There are hundreds of ways to make Béchamel. Begin by cooking equal amounts of butter and flour together, slowly, so that the flour may lose its raw taste. To this add hot milk, or half cream and half white stock, stirring constantly. Cook it for 15 minutes and at the last, beat in two or three small pieces of butter which will give it richness and a glossy surface. The yolk of an egg is a good addition, but the sauce must not be allowed to boil after it is beaten in. Seasonings are properly either a bay leaf, mace, or grated nutmeg, and of course always salt and pepper.

To make that worrying affair called "Glaze"—so constantly referred to in high grade cook books, take my advice and instead of waiting to reduce some brown stock to a syrup by prolonged boiling do it with Bovril or an Oxo cube and gelatine. Dissolve one teaspoon of powdered gelatine in two tablespoons of water, add the Bovril or Oxo cube, thin with a little more water and use as the recipe requires to glaze any sort of meat or game.

SAUCE JAUNE, or Yellow Sauce, is simply a good Béchamel or white sauce, to 2 cups of which a little paprika, two tablespoons of lemon juice and the yolks of four eggs are added. After adding the hot milk to the flour and butter bring it to the boil, turn the heat low, stirring all the time, and then stir in the beaten yolks of the eggs very gradually, adding the lemon juice slowly at the last. If too thick, add hot water.

A good sauce for a shrimp or oyster cocktail is made in Soho thus. Take Tomato Ketchup and mayonnaise in equal quantities, add a dash of Worcester sauce, a pinch of cayenne pepper and one tablespoon of thick cream, sweet, or soured with a half teaspoon of lemon juice. Mix thoroughly and pour over the shell fish in little glasses and serve very cold.

Spanish sauce is useful with all egg dishes, particularly stuffed omelets. The easiest way to make it is with a good variety of tinned consommé.

Take one tablespoon of butter and one of flour and cook them together till a handsome brown (this, my children is that queer viand called elsewhere *brown roux*.) To this roux add 1 cup of undiluted tinned consommé, mix well and stir until it boils and thickens then add 1 tablespoonful of Tomato Ketchup, ½ a teaspoon of onion juice or grated onion, 1 dessertspoonful of Worcester Sauce and salt and pepper.

A mushroom omelet with this poured over it and a sprinkling of grated cheese on top quickly browned in the oven makes a luncheon dish fit for a hard working Queen.



MRS. WILLIAM HENDERSON WOOLVERTON, of New York, formerly Miss Mary Francis Jarvis, daughter of Mr. and Mrs. Tennyson D. Jarvis, of Grimsby, Ont. —Photograph by Cunningham & Son.



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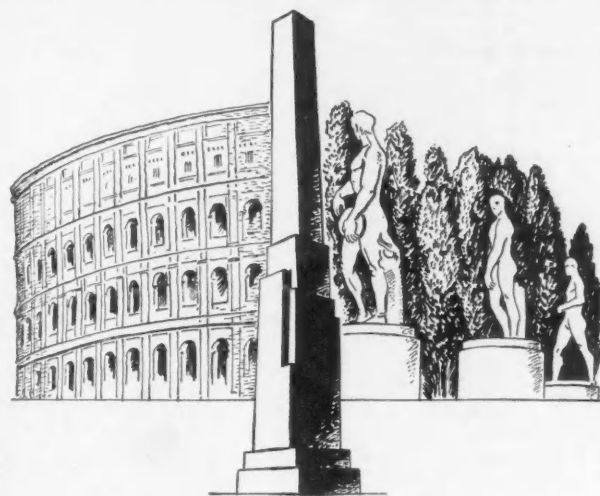
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Announcements

ENGAGEMENTS

Dr. and Mrs. P. Coote announce the engagement of their daughter, Christine, to Paul Ivo Pelletier, son of Colonel and Mrs. Oscar Pelletier, both of Quebec.

DEATHS

CHAPLIN—In Chatham, Ont., Thursday evening, January 18th, Alexander Dew Chaplin, third son of the late Mr. and Mrs. William Chaplin, of St. Catharines, and beloved husband of Edith Annie Dolson and brother of Mrs. Dalton Davies of Toronto and Major Garnet W. Chaplin and Mrs. A. R. Parker, of London, England, and the late Hon. J. D. Chaplin, at the age of 65 years. Funeral was held at 10 o'clock Friday morning, the 21st inst., from his late residence, 449 King St. West, Chatham, with interment at St. Catharines, from his old home, Orchard Place, now the residence of his niece, Mrs. E. E. H. Wright, and Mr. Wright.

AMYS, Dr. Charles Hewitt—On Tuesday at midnight, January 18, 1938, at his home in Peterborough, Ontario, Charles Hewitt Amys, the beloved husband of Mary Elizabeth Amys, in his 65th year. Funeral on Thursday, January 20, at 2.30 p.m., from the family residence, 377 Stewart street. Interment at Little Lake Cemetery.

THE SOCIAL WORLD

BY BERNICE COFFEY

HIS EXCELLENCY, Lord Tweedsmuir, has graciously extended his patronage to the 31st Annual Toronto Skating Club Carnival, to be held this year in co-operation with the Granite Club. According to present plans Their Excellencies and staff will arrive in Toronto from Ottawa on Tuesday morning, March 8, and will officially open the Carnival that evening. This year's show will be for four nights instead of three as last year.

AN EVENT of international significance will take place on Friday, March 11, when the Women's Canadian Club of Toronto and the American Women's Club unite in bringing the Hon. Ruth Bryan Owen (Kammerjunkerinde Rohde), America's first woman diplomat, as guest of honor to speak to them at a joint luncheon meeting in the Royal York Hotel. Her subject will be "This Business of Diplomacy."

Mrs. J. G. Atthous, President of the Women's Canadian Club and Mrs. Harry Endean, President of the American Women's Club, will be the hostesses. Mrs. Owen adds to a unique background of experience a record of exceptional achievement. Her political career has been punctuated with unusual honors and many "firsts". The first woman ever to represent the "Old South" in Congress, she was the first woman to serve the Congressional Foreign Affairs Committee and the first woman to represent the United States at the Interparliamentary Union (London, 1930). Her appointment as Minister Plenipotentiary and Envoy Extraordinary to Denmark gave her the distinction of being America's first woman diplomat.

During the World War she was a member of the executive committee of the American Women's War Relief Fund in London. Later in Egypt, she served as war nurse in the Egyptian-Palestine campaign, a little-known but very significant sector of the war. In Congress, she was an ever-colorful, yet amazingly effective figure. It has been said that she had as large an influence on legislation as any Congressman ever had during any one term. Her ideals of Congressional responsibility were original and legislation sponsored by Mrs. Owen made rapid progress. In the diplomatic service she proved to be an outstanding success. In the three years she has lived in Copenhagen, the Danish people have come to hold her in high affection and esteem.

MRS. Gray Mewburn's twin debutante daughters, Monica and Veronica, were honored at a tea given by their mother at the University Women's Club on Saturday, January 22. Guests were Toronto debutantes and many others from out of town. Mrs. Mewburn chose a lace frock of black with matching hat with which she wore a corsage of gardenias. Her daughters, who received with her, made a doubly charming picture—Miss Monica in black velvet with which she wore a small hat with veil, Miss Veronica in blue satin with rose godets in the skirt. Both carried arm bouquets of red roses.

Presiding at the tea table, which was arranged with spring flowers and candles, were: Mrs. Edmund Bristol, Mrs. W. W. Beardmore, Mrs. Logie Armstrong, Mrs. Atholmer Aymer, Mrs. W. J. Watson of Hamilton, Mrs. Godfrey Spragge. The assistants, all of whom wore red roses, were Miss Margot Mewburn, sister of the debutantes, who wore a frock of peacock blue taffeta; Miss Joan Elkins, Miss Elizabeth McClelland, Miss Joy Armstrong, Miss Ann Wilks, Miss Betty Christie and Miss Peggy Marshall.

ONE of the most widely attended events, as usual, was "January Nite" of the Hospital Aid of the Women's College Hospital which took place Saturday, January 22. The two ballrooms of the Royal York Hotel were the scene of the dancing, while the gold banquet room was set aside for those playing bridge. About three thousand attended.

Those receiving included Mrs. A. M. Huestis, President of the Board of Governors of the Women's College Hospital; Mrs. W. R. Jackson, President of the Hospital Aid; Miss Harriet Meiklejohn, Superintendent of the hospital; Dr. Florence McConney and Mrs. Walter Smith. On the arrival of His Honor the Lieutenant-Governor of Ontario and Mrs. Albert Matthews, who were attended by Captain George P. Scholfield, they were welcomed by Mrs. A. M. Huestis, Mr. and Mrs. Russell McCormick, Mr. Newton Lander and Miss Harriet Meiklejohn. The Board of Governors of the hospital, the Advisory Board of the Medical Staff, and the ladies of the Hospital Aid Committee were presented to His Honor and Mrs. Matthews. Later they had supper in the Blue Room where Lady Gooderham presided.

MRS. Robert Dingman, financial adviser of the Association of Junior Leagues of America, was guest of honor at a luncheon meeting held by the Board of Directors of the Junior League of Toronto at the Royal York. Among those present were: Mrs. C. H. A. Armstrong, President; Mrs. Stephen Greey, Miss Betty Long, Miss Cynthia Jaffray, Mrs. Arthur Milner, Mrs. Leighton McWhinney, Mrs. Haldon Meek, Mrs. C. A. Bogart, Mrs. R. A. Sanderson, Miss Margaret Grayson Smith, Mrs. Lawrence Groat, Mrs. G. C. Deeks, Mrs. Burns Lind, Mrs. B. M. Osler, Mrs. Aubrey Baillie, Mrs. Stephen Vickers, Mrs. R. A. Armstrong, Mrs. William Leckie, Miss Elizabeth Fisher, Mrs. John McKee and Miss Isobel Pepall.

MONTREAL

ONE of the most important and oldest social functions to take place in Montreal took place on Thursday, January 20, on the occasion of the

Ninety-Second Annual Charity Ball in aid of the Royal Victoria Montreal Maternity Hospital social service department and its outdoor clinics. Under the distinguished patronage of Their Excellencies the Governor-General and the Lady Tweedsmuir, the event was attended by a large and distinguished roster of guests. Beautifully gowned and jewelled women and their black-and-white garbed escorts gave to the ballroom of the Mount Royal Hotel where the event took place, a gala magnificence that is more often associated with pre-war functions.

The hospital Auxiliary Board includes: the honorary president, Her Excellency the Lady Tweedsmuir; president, Lady Meredith; vice-presidents, Lady Holt and Mrs. Walter Stewart; secretary, Miss Mona Prentice; honorary treasurer, Mrs. E. R. W. Hebdien; assistant secretary, Mrs. W. W. Ogilvie; assistant treasurer and in charge of publicity, Mrs. Earle Spafford; 1st directress, Mrs. Lionel Lindsay; 2nd directress, Mrs. George Huband; 3rd directress, Mrs. W. D. McLennan.

The members of the committee included Mrs. R. E. Aikman, Mrs. G. R. Caverhill, Miss Barbara Cowans, Mrs. A. F. Culver, Mrs. A. Sidney Dawes, Mrs. F. Curzon Dobell, the Hon. Mrs. B. M. Hallward, Mrs. T. B. Heney, Mrs. W. R. G. Holt, the Hon. Mrs. A. K. Hugessen, Mrs. W. K. G. Lyman, Mrs. H. C. MacDougall, Mrs. E. A. Mackenzie, Mrs. E. A. Millar, Mrs. T. H. P. Molson, Mrs. H. M. Pasmore, Mrs. A. T. Paterson, Mrs. F. R. Peverley, Mrs. T. T. McG. Stoker, Mrs. C. V. M. Townsend, Mrs. A. Murray Vaughan and Mrs. Stephen B. White.

Mr. J. W. McConnell was chairman of the ball, and Mr. H. C. MacDougall chairman of floor committee.

Patronesses were: Madame E. L. Patenaude, Madame Adhemar Raynault, Lady Atholstan, Hon. Marguerite Shaughnessy, Lady Drummond, Lady Gordon, Mrs. R. A. E. Greenshields, Mrs. C. C. Ballantyne, Mrs. Herbert Molson, Mrs. W. W.

Chipman, Mrs. J. R. Fraser, Mrs. J. W. McConnell, Mrs. Lewis Douglas, Mrs. Arthur Drummond, Mrs. F. N. Southam, Mrs. N. J. Dawes, Mrs. Ross McMaster, Madame Pierre F. Casgrain, Mrs. A. B. Purvis and Mrs. A. A. Magee.

WINNIPEG

THE highlight of the week's entertaining was the marvellous dinner dance given by Mr. C. S. Gunn in honor of Miss Janet Carruther's birthday. The event took place in the banquet hall of the Fort Garry Hotel which had been transformed for the occasion into a tropical fairyland. At one end was the horseshoe table with covers for sixty-six guests and decorated with crystal bowls of Easter lilies and crystal candelabra with white tapers. In front of the guest of honor was a garden plot with a fountain surrounded by ferns and palms. At the other end of the hall the window recesses were hung with scenic panels and against a midnight blue background a feathery silver tree had colored lights playing on it. Scattered about were giant umbrellas, tables and chairs which provided a delightful sitting out place. An orchestra played throughout. The guests included: Miss Carruthers, Mrs. C. G. Carruthers, Mr. and Mrs. W. A. Smith, Mr. and Mrs. James D. Carruthers, Mr. and Mrs. Stewart Searle, Mr. and Mrs. Gordon Konantz, Mr. and Mrs. Charles Huntington, Mr. and Mrs. Cecil Clifford, Mr. and Mrs. John A. Rogers, Mr. and Mrs. Philip Chester, Mr. and Mrs. Harold Hanson, Mr. and Mrs. Harold W. Riley, Mr. and Mrs. Ewart Kelly, Mr. and Mrs. Walter H. Little, Mr. and Mrs. Athol Oscar McBean, Mr. and Mrs. George Black, Mr. and Mrs. Kenneth G. Southam, Mr. and Mrs. Jack Lightcap, Mr. and Mrs. Searle Leach, Mr. and Mrs. Trevor Lloyd, Mr. and Mrs. John A. Botterell, Mr. and Mrs. Edward Nanton, Dr. and Mrs. Frank Mathewson.

The Misses Maud Macarthur, Eleanor Breen, Sally Coyne, Frances McKenty, Betty Gardner, Helen Poussette, Jean McWilliams. Messrs: Victor Sifton, George Carruthers, Norman Franks, Jack Hopwood, Stuart Ormond, Gurney Evans, Howard Cotterell, Hamilton Alloway, Elsworth Guy, Paul Nanton.

MARRIAGES

OTTAWA

Gill-Wilson—On Saturday, January 22, Mr. Alan Findlay Gill, son of Mrs. Gill of Ottawa, and the late James C. Gill of Vancouver, and Miss Olive Mackay Wilson, daughter of Mr. Norman F. Wilson and Senator Cairine Wilson.

ENGAGEMENTS

QUEBEC

Pelletier-Coote—Mr. Paul Pelletier, son of Colonel and Mrs. Oscar Pelletier, to Miss Christine Coote, daughter of Dr. and Mrs. P. Coote.

Garneau-Cote—Lieutenant-Colonel Gerard Garneau of Ottawa, to Miss Jacqueline Cote, daughter of Mrs. J. Martial Cote.

HAMILTON

Wright-Carswell—Mr. Alan Malcolm Wright, son of Mr. and Mrs. T. M. Wright, to Miss Mona Ballantyne Carswell, daughter of Mr. and Mrs. J. B. Carswell.



A CHARMING STUDY in charcoal of Miss Zena MacMillan, of Toronto, who was presented to Their Excellencies the Governor-General and the Lady Tweedsmuir, at the Drawing Room at Ottawa.

—Study by Cyril P. Brady.



Thoroughbreds

● "Rathlin Roundelay", with his long red hair, looks remarkably like a Spaniel, but, as his pedigree proves, he is a thoroughbred long-haired Dachshund, the son of an English-born sire and dam of true German descent.

To "intimates", he is known as "Tweedle-dee" or "Tweedles". Cautious in making friends with children, he is even more cautious with strangers, and adamant in his hostility toward the breadman!

"Tweedles" is even fonder of cod liver oil than he is of candy, expects his half pound of raw meat daily, and is a keen motorist.



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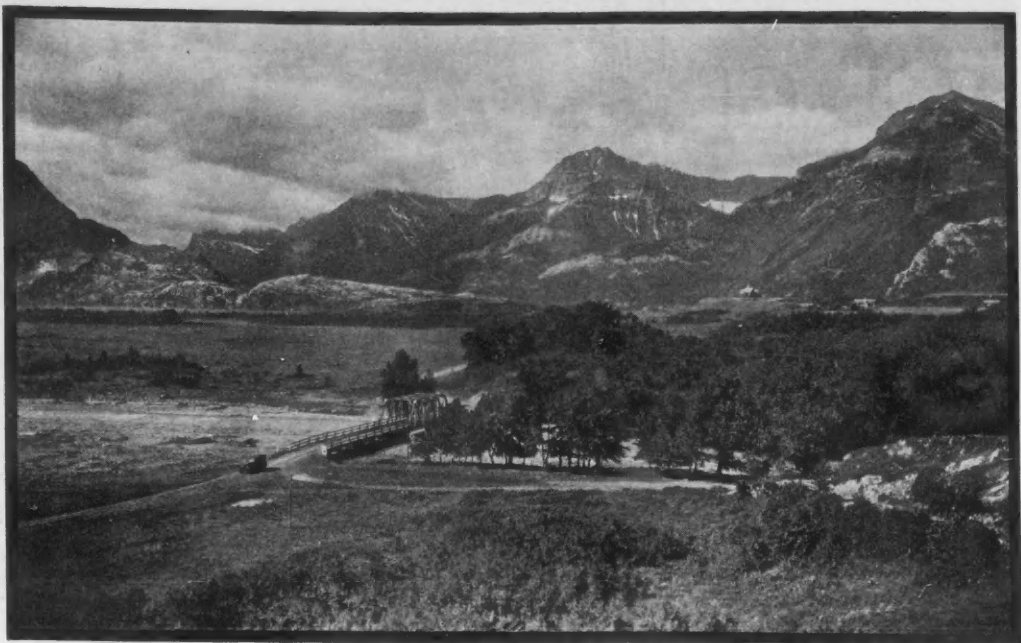
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ALONG THE HIGHWAY from Glacier National Park to the Waterton Lakes district of Alberta. The view shows the recently completed scenic route crossing the Waterton River and approaching the Prince of Wales hotel, headquarters for visitors to this region of magnificent scenery.

—Photo courtesy Great Northern Railway.

—Ports of Call

JUST SOUTH OF ALBERTA

WINTER'S the thing—especially now that the New Year has begun writing history on a clean slate. The festive holidays of the snowy, blowy season are over. But, with traditional tenacity, Old Man Winter lingers on, wearing out his welcome and creating fervid interest in summer and what to do when she arrives. What to do? There are hundreds of places to go, and you can start now.

Dig out the atlas of a map of Canada, and travel at comet's speed to the Province of Alberta. Now, down to the international border. What do you find? A tiny black area and the words, Waterton Lakes Park.

It's a place—the place to go this summer if you want a new, breathtaking glimpse of your Canada.

Waterton Lakes National Park is a reserve of 220 square miles, situated on the eastern slope of the Rocky Mountains in the extreme southwestern corner of Alberta. Although smaller in area than most of the other Canadian national parks, it is one of the most charming of all mountain reservations, and as a recreational resort is becoming more popular yearly.

This park possesses a distinct character and individuality which completely distinguishes it from any other, and typifies the region in which it is situated. Within its rugged borders are contained many features of striking interest and beauty, all of which are easily accessible.

Although the elevation of the peaks and valleys in the Waterton Lakes Park region is lower than to the south, in Glacier National Park, and to the north, there remains the grandeur and the brilliant colorings peculiar to the Rockies.

The park derives its name from the three beautiful bodies of water comprising Waterton Lakes. Headquarters of the reserve are at Waterton Park, on a shore of the bay at the foot of the upper lake.

ALTHOUGH Waterton Lakes Park has, for half a century, been a holiday paradise for residents of southern Alberta, it was only in recent years that the area became known to the traveling world.

In the early days the townsites became, in summer, a tented village. Many built cabins along the shore of the lakes. Then came the automobile, and the construction of roads which connected the park with main provincial highways. Thus Waterton Lakes Park was opened to the world.

From Waterton Park more than 200 miles of trails radiate in all directions to points of interest in the area. Major scenic features of the park are Cameron Falls, Bertha Lakes and Falls, Hell-Roaring Canyon, Cameron, Forum and Wall Lakes, and Akamina pass.

The angler has many streams to whip in Waterton Lakes Park, for fishing is one of the outstanding attractions of the area. In the Waterton lakes are salmon trout and whitefish. In the small lakes and streams cut-throat trout are abundant.

Waterton Lakes Park is not a show place; people do not flash in it one day and leave the next. The majority of the visitors there settle down for a long stay to enjoy, at their leisure, the fishing, boating, golfing, riding and climbing.

The government provides a 40-acre campsite and a central Community House, in addition to free tennis courts, children's playground and a bathing beach.

Accommodations in the park are widely varied. Several years ago the Great Northern Railway constructed on the high, rocky promontory the superb Prince of Wales Hotel. The building is designed in the Swiss chalet manner, a style in harmony with its setting. Every window frames a glorious view, to the south

constructed jointly by the Canadian and American governments.

This broad, new highway reduces the distance between Glacier and Waterton points by many miles, affording both Canadians and Americans better opportunities to visit the international reservations.

SEIGNIORY CLUB

THE Toronto Ski Club's entry in the Seignior Club's annual women's inter-city ski meet to be held here January 30 includes: the Misses Elizabeth Snively, Joan Griffiths, Joan Taylor and Ann Taylor.

Penguin Ski Club, Park Toboggan and Ski Club, Montreal, Ski Club of Montreal, as well as Toronto Ski Club



MOUNT CITADEL in Glacier National Park. In the foreground are the Going-to-the-Sun chalets on upper St. Mary's Lake while in the distance looms the continental divide.

—Photo courtesy Great Northern Railway.

over the sunlit Waterton lake; to the north to the foothills and prairies. A short distance away are The Chalets, a smaller hotel with a group of buildings planned as suites for housekeeping.

THE summer climate in Waterton Lakes Park is delightful, with warm sunny days. The atmosphere is clear and invigorating. Autumn is characterized by heavy winds, and winter by abundant snow. Electric storms in the summer are rare, and seldom violent when they do occur.

Unlike most other Canadian reservations, Waterton Lakes Park is not directly accessible by railway. The nearest rail points are Pincher Creek and Cardston, Alberta, each about 35 miles distant. Excellent motor highways lead to the park from these points.

In the past two years, hundreds of Canadians have entered the Waterton region through Glacier National Park. The international areas now are connected by a new, scenic roadway, the Chief Mountain highway,



ON THE BOUNDARY between Glacier and Waterton National Parks, the former in the United States and the latter in Canada. Together the parks constitute one of the finest vacation lands on this continent.

—Photo courtesy Great Northern Railway.

Confidentially Speaking

There's no excuse for putting up with a muddy complexion with pimples and blackheads. It's often a question of not knowing what to do about it... of fearing to use creams and lotions that may do more harm than good. For home use we take particular pleasure in recommending Princess Toiletries. Scientifically compounded, they accomplish marvels in getting at the basic causes of pimples, blackheads, eczema and other non infectious skin troubles. Especially helpful are

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—London Letter

BAD TALK ON THE STAGE

London, Jan. 10.

GEORGE Bernard Shaw has been taking a crack at the slovenly speech of the London stage. The Association of Teachers of Speech and Drama asked him to send a message to their annual meeting. He did. Now they may or may not be glad. Asking G. B. S. to send you a message or give an address is rather like inviting a lion to come in and do a few parlor-tricks for the children. He may purr and tumble through hoops, as a nice lion should, or he may start mauling his host.

Shaw told the associated teachers that, if they wanted to hear slovenly speech that conveyed nothing to the unfortunate audience and wasted the labor of the author, the theatre was the place to go for it. Once upon a time the clergy were the worst. Most of them didn't know the difference between a "collect" and a "gargle". But now the clergy were good. So were the "political tub-thumpers". They might have nothing to say, but at least they said it so you could understand what they were saying. Of all the professional speakers the worst, according to Shaw, are the actors. And they ought to be the best.

The blame for this sad state of affairs Shaw lays at the door of dramatic teachers and producers. He says they spend their whole time fussing about the other arts of the theatre—the lighting, the coloring, the dressing and stage fashions in what is called "expressionism", and which mostly expresses nothing but sheer folly—and so have no time left for "the central art of speech on which all plays that have any brains in them depend".

More audibility is a pedestrian virtue. As might be expected, Shaw demands a good deal more. He wants music; and he states that, for his own

purposes, he prefers actors who have had some training as musicians.

"An opera sung by people with no ear for music," he says, "is not more horrible than a play by Shakespeare or Shaw spoken by people with no sense of verbal music or no trained skill in executing it."

Nice of him to put Shakespeare first!

Shaw is undoubtedly right about the way in which a good many actors and actresses on the West End stage slur and mumble their lines. And he may be right about the cause. But I cannot help feeling that a good deal of the blame for this slurred and slovenly speech is due to the character of the lines they have to say—the clipped, slangy, casual stuff, which Mr. Noel Coward and his compeers have made so fashionable. How is a poor actor to put music into that sort of thing? If he were to try, he would probably blow the frail, glittering stuff to pieces.

SO OFTEN in these columns I have had occasion to tell of the British Broadcasting Corporation getting it in the neck, that it is pleasant for a change to be able to record a recent diplomatic triumph of that harassed but hearty institution.

For years—five, as a matter of strict fact—they have been trying to persuade the French Government to ban advertising broadcasts in English from stations in Northern France. The stations in Normandy, Paris, and elsewhere have been making a very good thing out of it. On Sundays particularly their programs have consisted almost entirely of entertainments provided "by the courtesy of" the British makers of everything from pills to pianos.

All this is very pleasant for the French stations concerned, which probably derive their chief revenue from

it. It is also, no doubt, very pleasant and profitable for the advertisers. Pleasant, too, for the ordinary British listener who is thus enabled by a turn of the knob, to escape from the sermon at St. Paul's or the Brahms concert to the more vulgar and cheerful atmosphere of the dance-hall or the variety stage.

But the B.B.C. hate it—naturally enough. There is nothing more galling than to refuse money, with a gesture of dignified repugnance, only to see someone else, some low commercial cad, jump in and grab it. Dash it all, the thing isn't cricket!

So for years the B.B.C. have been protesting and wire-pulling, through the Post Office, through the Foreign Office, and in every way that such a fight could with dignity be conducted. The Postmaster-General even refused telephone facilities for the relaying of programs from England to the Continent. But the only effect was to cause the advertisers to put their programs on gramophone records, and ship them over that way, thus depriving the Department of many thousands of pounds in telephone fees.

Now at last the French Government has promised to do something about it—one of these days. This is regarded as a great triumph for B.B.C. diplomacy. But personally I have doubts. The sight of a true Frenchman refusing money is one of the rarest and most heartrending in the world. It may be a long, long time before we are compelled to witness this particular bit of martyrdom. Even those who have tears for it needn't prepare to shed them yet. Not for years, perhaps.

DOWN in Chester, one of the quietest and most lovely towns in all England, there lived until the other day just the sort of little mouse of a woman you would expect to see scuttling silently along those beautiful old streets. But she herself wasn't at all lovely—merely an insignificant, bespectacled little old maid of nearly fifty. Usually she carried a basket.

Her name doesn't matter—it would mean nothing to you. She owned a couple of houses, one of which she looked after herself. For the other she employed a caretaker. She was said to be a model landlady, strict but kind. She had very few friends, never drank, never smoked, never played cards. She was busy all day about her houses and her tenants. In the evening, by way of exercise and getting a bit of fresh air, she used to go for a walk—generally with her basket. It seemed that she never felt really comfortable without it. So sweetly old-fashioned was she.

Now she doesn't live in Chester any more. She lives in jail, and is likely to go on living there for three years—less what they take off for good conduct. She will, of course, be a model prisoner. She has always been a model in every way—except in a taste for burglary. And she was pretty good at that, too. About £2,500 in the last two years, the police estimate, mostly in cash and jewels.

When she was sentenced, she made the modest request that, in addition to the three charges to which she pleaded guilty, the Court should take into account 102 others.

She used to carry her burgling kit around in her basket. In her house they found a set of weights and meas-

ures such as goldsmiths use, as well as magnifying glasses and delicate pliers for jewelry work. She seems to have thought of almost everything. What an artist!

And now, my dears, don't you think that is a nice little bed-time story? Goodnight!

TRAVELERS

Miss Betty Smart, who spent the Christmas season in Ottawa with her parents, Mr. and Mrs. Russell Smart, has returned to England.

Mr. and Mrs. George C. Heintzman have left Toronto to spend the winter at Kingston, Jamaica.

Miss Lorna Prower has returned to King's Hall, Compton, after spending the past few weeks in Quebec with her father, Brigadier J. M. Prower.

RADIO DIARY

BY CLARISSA DUFF

I WENT recently to the Toronto studios of the Canadian Broadcasting Corporation to learn from Mr. John Adaskin, CBC producer, something about how programs are got ready for the air.

Taking as his illustration "Friendly Music," broadcast on Sunday evenings at nine-thirty, Mr. Adaskin took me step by step from the first conference between producer and director, through the various stages of preparation, to the dress rehearsal and the actual broadcast. He told me that as producer of "Friendly Music" his first duty was to get in touch with Mr. Geoffrey Waddington, who was to conduct the orchestra and direct the program. The next step was the drawing up of a tentative plan for the series. As its name indicates "Friendly Music" is made up of well-known music of classical and standard character. It is not intended for the highbrow or the devotee of jazz but for listeners who like to hear such old favorites as "Traumerel" and "To A Wild Rose."

The fitting of a program of concert music into a rigid time allowance is a difficult task. Also due regard must be paid to the "curve" of the program. If the opening number is brilliant the next should be quiet and simple to give needed contrast. Of course this rule of up and down applies to any musical program, but when it is to be put on the air the necessity for accurate timing adds considerably to the perplexities of producer and director. For instance, an arrangement of "Evening Star" from Tannhauser may fit admirably into the scheme of things but will have to be left for a future program because it runs thirty seconds over time.

Care and thought must be given to the choosing of vocal soloists for a program such as "Friendly Music." In Frances James, soprano, and William Morton, tenor, the CBC provided artists who take pains to get close to their listeners. Albert Pratz, in his violin solos, also enters into the spirit of the program.

AFTER learning something about "Friendly Music" it seemed a good idea to turn my attention to the activities of "The Happy Gang." This program—the only one of its kind on the CBC network—is on the air five days a week at one o'clock. The cast consists of Bert Pearl, master of ceremonies, Kathleen Stokes, Blain Mathe and Bob Farnham, aided and abetted by the announcer, Herbert

May. It would be difficult to find on the Canadian air a more versatile group of artists than the members of "The Happy Gang." To the listener they sound as if they had strolled unconcernedly into the studio with a sheaf of letters from interested fans, a few sheets of music, a violin, a trumpet and a fixed determination to enjoy themselves. Knowing that every feature on the air, no matter how informal, must run more or less on a schedule, I have often wondered how the producer and master of ceremonies keep this program from getting out of hand.

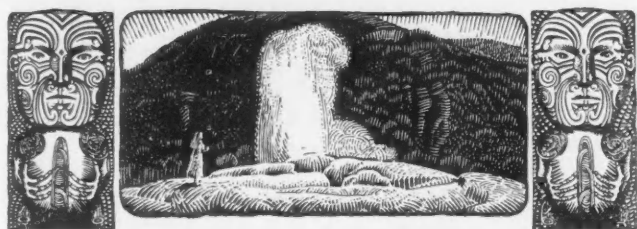
Yesterday afternoon Mr. George Temple, producer of the program, kindly gave me some information about how this feature is put together. He told me that some of the dialogue is invented on the spur of the moment but that the musical numbers are rehearsed and timed; with the closing number used as a buffer. This buffer is designed to fill in the time that remains before the program is signed off and the orchestra leader must be ready to bring it to a finish at a signal from the producer.

I spent half an hour in a studio control booth watching "The Happy Gang" in action. From my point of vantage beside Mr. Temple I could see through a large plate glass window into the studio. The broadcast came to me through the loud speaker in the booth exactly as if I had been in my own living-room—the only difference being that the artists in the studio were visible to me.

During rehearsals the producer in the control booth communicates with people in the studio by means of the "talk back" system, but during the broadcast he must substitute a code of signals for his voice—otherwise his directions to the cast would be picked up by the studio microphone and would be heard by the radio audience.

As each number ended it was ticked off by Mr. Temple and the time noted. At last a special signal announced the "buffer" with a chorus, a verse and a second chorus. Then came "The Happy Gang" theme song. This was faded off by the engineer into the background so that Mr. May could sign off the program.

In studio and control booth the tension was relaxed. With the illogical feeling that I had been working very hard myself I got up, said thank you to Mr. Temple and the engineer and left the control booth.



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SATURDAY NIGHT

BUSINESS

FINANCE

GOLD & DROSS

INSURANCE

THE MARKET

Safety for
the Investor

TORONTO, CANADA, JANUARY 29, 1938

P. M. Richards,
Financial Editor

ONTARIO AND QUEBEC FORM INDUSTRIAL AXIS

Co-operation Marks New Economic Turn—Insistence on Provincial Rights Secondary
—Joint Action on Power, Newsprint, Wages—Steps Toward Corporate State?

BY ALBERT C. WAKEMAN

JUST because the Rowell Commission brought forth proposals that Quebec and Ontario throw some of their revenues into the national pot, and these two provinces consequently discovered that they were on common ground in regard to most of these proposals, they have been accused of "ganging up" on the rest of the country, and of combining to block any change in constitutional rights. Meetings between the two provincial premiers around New Year, and "hands off Quebec" warnings by Mr. Duplessis, seemed to give point to the accusation. The initial furor has died down, but a slightly changed perspective of the major problem of public finance, and of the work of the Rowell Commission in particular, remains. It illustrates the sectional and class conflicts that are likely to be emphasized from time to time as the inquiry progresses.

If an Ontario-Quebec "axis" has really been created, it probably relates to common industrial problems of these two provinces, rather than to constitutional rights. In political matters they have been at loggerheads on so many occasions that a lasting alliance is hardly conceivable. Ontario and Quebec have 60 per cent. of the total population, and of course a similar percentage of the seats in the House of Commons, so that the people of these provinces could effectively control on any matter on which they were fully agreed. But it is not likely that this ground will extend beyond business and finance, and interests conflict on some points within these fields.

So far as the Royal Commission is concerned, both provinces will probably oppose the surrender of succession duties and other tax sources as urged at western hearings. "Ganging up" will not be indicated any more by such agreement than it was in the arguments of Manitoba and Saskatchewan, both of which asked for assumption of certain provincial obligations by the Dominion. Being in a position to meet their obligations, the central provinces have no occasion to press for any major financial change. But their briefs will differ in detail. Ontario probably will be agreeable to some amendments to the British North America Act. For one thing, it has concurred in the idea of national insurance against unemployment, with whatever constitutional change may be needed for that purpose. But Quebec thus far has turned a cold shoulder towards that plan. It may oppose any constitutional change. That would be an effective bargaining attitude at the start, and put the onus of argument on others. Quebec might subsequently agree to some change, but the scope would be limited.

THE Rowell Commission, however, is not the only consideration in public life just now. Recent announcements have definitely indicated a rapprochement between the governments of Ontario and Quebec on matters of local concern. It is entirely logical for provinces to co-operate under a federal system; that is, merely because a subject becomes inter-provincial, does not necessarily make it one which the federal authority should handle. Departments of education, for example, give mutual recognition to certificates of standing, teachers' qualifications, etc.; in the field of insurance, a great deal of provincial uniformity has been achieved, without any sacrifice of the principle of provincial autonomy.

Conferences between representatives of the two governments dealt with the newsprint situation, minimum wages, electric power, the operating position of leading industries in relation to tariff protection, and no doubt with other points of which no announcement was made. Obviously it is impossible to set a minimum wage, or in fact to deal with any other industrial matter, without some regard to tariff and other factors in operation. The achievement of a common provincial policy may have a federal significance, but does not of itself imply an ambition, much less an ability, to control Ottawa.

Evidence of this trend in the central provinces came on December 28, in the announcement of new minimum wage scales by the Quebec Fair Wage Board. Minimum wages have been a bone of contention between Ontario and Quebec, the former finding its own program handicapped by what seemed to be a desire on the part of Quebec to under-cut and thereby to steal an industrial march on Ontario. Quebec at least has been able to develop and retain the cotton and the shoe industries, in which low wage costs are a dominating factor. Behind this policy, again, are the powerful Catholic trade unions of Quebec, in contrast to the Canadian or international bodies which represent labor in Ontario. The new Quebec program, while denying that there will be any handicap to sound industries, does claim that it will improve the lot of workers in the sweated and unorganized trades, and estimates the total gain to workers in the province at no less than \$26,000,000, or about five per cent. of the total wage bill. That five per cent. may be quite important in a competitive way, but at the same time bring no industrial migration to Ontario. Rather, a further tightening up in the Ontario regulations is indicated.

These two provinces have no less than 80 per cent. of the manufacturing production of Canada. In certain lines, including automobiles and tires, cottons and silks, they have all or practically all. Most of the manufacturing in other provinces is based on local raw materials or markets. Costs and prices established in the major production in the central provinces usually set the pace. Ontario and Quebec are therefore able to set the pace in minimum wages as well, within the broad limits of marketability and foreign competition, of course. The western provinces and Nova Scotia have been active in respect to

minimum wages, often finding the competition of Ontario and Quebec the chief deterrent. If we must have this kind of legislation, it can be developed through provincial channels, possibly on saner lines than might be followed by a central government, and at the same time local autonomy is preserved. And if complete union is the ultimate objective, is it not better to attain it gradually, than by drastically sweeping aside provincial rights?



THE WRONG MAN DRIVING

VOTERS SHOULD BE TAXPAYERS

Only Persons Who Pay Municipal Taxes Should Vote in
Municipal Elections—Why Not a Franchise Tax?

BY H. E. MANNING, K.C.

This is the last in a series of four articles by H. E. Manning, K.C., on the problem of land taxation.

WE HAVE asserted in previous discussions that not only is the multiplication of taxing bodies the source of inefficient and ill co-ordinated administration, but the fallacy of assuming a capital value in land, regardless of its earning power, has long blinded us to the crushing weight of land taxes. We thought without justification that assessments represented realities. Because of those things we have tolerated the imposition of landowners of financial responsibility for progressive and charitable enterprises for which they have in no sense a peculiar moral responsibility. We did that because we were hypnotized by an unwarranted belief in the existence of unearned increments peculiar to land. I make bold to say that there is and has for twenty-five years been less of unearned increment in regard to land than in regard to any other kind of wealth on this continent, less than has been experienced in respect of shares or bonds, or wheat, or the business of drawing unemployment relief.

We have seen also how the uncritical acceptance of the assertion that the tenant pays the taxes has helped to blind us to the realities of the incidence of land taxation. It has done more. It has struck a deadly blow at the morale of municipal administration. It has created a proletarian dictatorship of the non-taxpaying classes. It has brought into being

control of the destiny of the municipal taxpayer by all sorts of persons who have a vested interest in municipal spending, whose votes far outnumber the votes of the taxpayer. It is a commonplace of current gossip that So-and-So cannot be elected to municipal office because the civic employees' association disapproves of his views. Every candidate for the mayoralty is generous in his zeal for the improvement of the scale of unemployment relief. The reason is bluntly that votes are bought by promises and effective promises require the spending of the taxpayers' money on people who have nothing to lose and everything to gain by that amiable indulgence.

TAKE once more the City of Toronto for an example. By reason of the extension in 1921 of the franchise in municipal elections to husbands and wives of certain classes of owners and to tenants and their wives, we have a total of about 350,000 municipal voting cards sent out in each year in a population of 648,000. Allowing for duplications, it is commonly thought in the City Hall (no one really knows because there are no definite data) that there are about 250,000 separate individuals entitled to vote.

We have already seen that probably not 70,000 of those persons are landowners and taxpayers, for only 59,000 of them appear to own their own homes. And as against them there are about 15,000 civic

(Continued on Page 24)

BUSINESS AND MARKET FORECAST

BY HARUSPEX

THE PRIMARY OR LONG TERM TREND of stock prices and business, under Dow's theory, turned upward in the summer of 1932. During the course of the recovery movement there have been three substantial setbacks, or corrections, the last of which is being currently witnessed. Like the two which preceded it, there is no present reason to assume that this setback is other than an interruption, to be followed, in due course, by the attainment of new high levels for the entire movement from 1932.

THE INTERMEDIATE OR SHORT TERM TREND of stock prices was signalled as downward on April 7, 1937. The subsequent decline represents a price correction of the advance since October 1933 in the industrial list, March 1935 in the rail list. The averages are now in a line formation, downside breaking of which would indicate further recession; upside breaking of which would indicate reversal of the intermediate trend to an upward direction.

RALLY OR DECLINE? In following the market's day-to-day and week-to-week movement, it is always important that some of the broader technical considerations resident in the picture be not lost sight of. In the current market two such considerations are the line movement, or trading range, that has been in progress since October 18, or for over three months; and the failure of the market to stage the usual technical or corrective Rally that always develops at some point in a sharp downward movement.

Low points to the line were established on October 18 and 19, re- (Continued on Page 23)



WE SAID in this column last week that so far Canadian business was holding up remarkably well considering the precipitate drop in the United States, and that if the slump there was not unduly prolonged we ought to come through the present stress with comparatively little damage. Current business is holding at satisfactory levels; the Dominion Bureau of Statistics weekly economic index has, in fact, shown a slightly rising trend since the first of the year and only a moderate decline as compared with a year ago. And the index figure at January 15, 1938, 110.4, still compares very favorably with the 1926 base of 100. But the latest Bureau figures show a serious decline in the value of Canada's exports last month, in some measure due to lower prices but in large part to reduced demand.

CANADA sold but \$28,212,371 worth of her products to the United States in December 1937, against \$39,671,895 in December 1936. This is a tremendous percentage drop, but was to be expected in view of the sharpness of the contraction in U.S. business activity. What is more sinister is the fact that the United Kingdom (which was this country's best customer during the month) cut her purchases in December to \$31,162,031 from \$37,319,890 in December 1936. This occurred in spite of the fact that current British trade and consumption are continuing at a high level. It means that British importers are looking fearfully for a lessening of consumption in the early future. And, if they are right, it means that Canada will soon be under greater pressure than she has felt yet.

APPARENTLY Britain has no real reason, domestically speaking, to anticipate a trade recession now. Armament production continues at a very high level, and housing construction is holding up better than was expected. Fear caused by the U.S. slump seems to be responsible for the lessening of British business confidence. Edwin Fisher, chairman of Barclays Bank Ltd., said last week in London: "That trade is good in the United Kingdom at the moment, no one will deny. But the very existence of this satisfactory state of things causes some people to look with unwholesome persistence for the 'slump' which they feel must of necessity be round the corner. As the stage is set today—and it is a different setting from that of 1929—there is little justification for undue concern." In other words, Britain, like Canada, can frighten herself into a trade depression, but there is no real reason for one.

ANOTHER sentence by Mr. Fisher deserves quotation, we think, in view of the clue which it seems to offer to the fundamental difference in outlook between the British and United States' economies. Said Mr. Fisher "We must not be unmindful of the part played by our government (this is the British government, of course) which, through its administration of our national finances, its trade negotiations, and its contacts with industry, has done much to restore confidence to the trading community." This

seems to be genuinely representative of the attitude of British business toward its government. The British government has carried through, and is still engaged in, a very far-reaching and thorough reorganization, or rather rationalization, of the country's trade and industry, but on a basis very different from that followed by the United States government in its similar aims.

THROUGHOUT the British Government has sought to co-operate with its trade and industry, to help them to improve their position so as to increase volume, earnings and employment. All the major industries of the country—steel, textiles, coal, shipping, ship-building, engineering, flour-milling—have been re-organized; markets, output, prices, raw materials and relations with foreign competitors have been included in the sweep of the control exercised, not by the government, but by the internal executives of the trades and industries concerned, with government aid. Always the maintenance of the profit principle has been regarded as vital.

THE British government's aim has been to aid industry to produce more, earn more, employ more at better wages. It has sought, successfully, to increase the nation's real income. Everyone has benefited, including the government as tax revenues have naturally risen, and there has been practically no opposition to the program. Contrast this with what has happened in the United States! Instead of working to increase the nation's wealth and income, so that there shall be more for everyone, the Roosevelt Administration has sought to divert the existing flow of income into other, more needy hands. It has taken from the "haves" to give to the "have-nots" and has imposed wealth-sharing measures on capital that have lessened its ability to earn profits from its operations and have destroyed its confidence in the soundness of the economic system. The task now is to restore that confidence, because without it the system will not work. And the resumption of business recovery—in Canada and elsewhere as well as in the U.S. itself—appears to depend very largely on whether or not that task is successfully performed.



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A. E. ARSCOTT,
General Manager.

Toronto, 21st January, 1938.

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Printed and Published in Canada
CONSOLIDATED PRESS LIMITED
CORNER OF RICHMOND AND SHEPPARD STREETS, TORONTO 2, CANADA
MONTREAL: 305 Birk's Bldg., Portage Ave.
WINNIPEG: 305 Birk's Bldg., Portage Ave.
NEW YORK: Room 512, 101 Park Ave.

E. R. Milling - Business Manager
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Vol. 53, No. 13 Whole No. 2341

GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast appearing on the first page of this section.

BRITISH AMERICAN OIL

Editor, Gold & Dross:

I am considering at the present time the purchase of some of the common stock of the British American Oil Company. I have a friend who is connected with the oil business and he tells me that this company had a very good year last year and that the report should be a good one. When does this report usually come out? I would be very grateful if you could give me some information as to earnings and dividends in recent years and any general news about the company's position and prospects. What is your opinion of the stock as a current buy? Thanks very much for your help.

—K. D. P., Brantford, Ont.

I think B.A. Oil is a good current buy. At current prices of 21 (which compare with a high of 26 and a low of 16 for 1937) the yield is 4.76 per cent., an excellent return on a security of this calibre. The dividend is currently 25 cents quarterly, this rate having been established in the early portion of last year as an increase over the previous 20 cents quarterly. There appears to be no doubt but that the company has been covering this distribution by an exceedingly handsome margin; while there does not appear to be any prospect of near-term dividend increase, the policy toward shareholders is generous and will be governed largely by generally prevailing business conditions.

The company's financial statement normally makes its appearance early in April and should be along at that time this year. In the meantime, however, shareholders have received official assurance as to 1937 results; sales of gasoline and other products were higher than in any other year and despite higher costs and taxation this should find reflection in a higher net. Among other achievements of the year were an increase in production on the part of the U.S. crude-oil subsidiaries and a reduction in the outstanding debentures in the very considerable amount of \$722,000. As to the future, the confidence of the company is seen in the decision to increase the capacity of the Montreal refinery at a cost of approximately \$500,000. As to 1938 results it is too early to engage in any general predictions; general prospects are good, the only fly in the ointment being some uncertainty as to how far the U.S. "recession" will percolate into Canada. Best informed opinion across the border is that there should be a pronounced pick-up in business there before many months. As for Canada, Canadians will continue to drive their motor cars in direct proportion to the general level of consumer purchasing power.

In 1936 B.A. Oil reported per share on its common stock of \$1.41 as against \$1.10 in 1935; \$1.05 in 1934; \$1.01 in 1933; \$0.99 in 1932; \$1.04 in 1931; \$1.01 in 1930 and \$1.23 in 1929. As to dividends, in 1929 \$1 was paid plus a 50 cent bonus; in 1930 to 1935, 80 cents annually and in 1936, 80 cents plus a year-end bonus of 20 cents. As I have pointed out, there should be no difficulty in maintaining the current level of \$1 annually. The last balance sheet available showed total current assets of \$11,856,571, including cash of \$2,519,241, against total current liabilities of \$3,039,420. Profit and loss surplus stood at \$9,698,574. B.A. Oil is a completely integrated unit in the field of producing, refining and marketing petroleum products. Through its U.S. subsidiaries it has assured itself of adequate supplies of crude and earnings from the American operations have been an increasingly important factor in recent years; its retailing operations are Canada wide and it has interested itself to a very considerable extent as well, in the Turner Valley developments which during the past year have assumed a new importance to this country. B.A. Oil is today a firmly established unit in a large and prosperous industry; one which should not be subject, as far as anyone can see at present, to any major upset. Its common stock should be increasingly valuable over the years ahead.

B.C. POWER "A"

Editor, Gold & Dross:

My broker has recommended to me as an investment purchase the Class "A" stock of the British Columbia Power Company. As an Easterner I am not familiar with this company or its record, but having been a regular reader of Gold & Dross for a good many years, I have formed from your comments a generally favorable impression. I note that the stock is available to produce a good yield and I would very much appreciate, before buying, your comments on the position and outlook of the company. What has the record been in recent years? I will be grateful for your help.

—D. B. T., Halifax, N.S.

At 34, to yield 5.82 per cent., I regard B.C. Power "A" as a desirable buy. This unusually high yield is largely due, I believe, to the unsettled condition of the security markets, although there is at the same time some uncertainty as to the immediate business future. So far, however, no general or local factors have developed in the area served by the company to indicate any pronounced diminution of demand and I believe that years of very satisfactory earnings should lie ahead. While public utility companies are affected by conditions of lowered earning power, nevertheless because of the basic nature of their services, they are less affected than producers of other types of commodities.

Currently the news concerning the company is encouraging. Figures for the first five months of the current fiscal year which ends June 30 next show increases in both gross and net; the amount available on the "A" stock amounted to \$863,594 as against \$823,374 in the corresponding period of the previous year. In the year ended June 30, 1937, the company reported per share on the "A" stock of \$1.77 but this was after a non-recurring write-off of \$293,792 in connection with bond discount and expense on the previously outstanding bonds; without this the per share figure would have been \$2.05. In the previous fiscal year per share had been \$1.64; in 1935, \$1.69; in 1934, \$1.65; in 1933, \$1.54; in 1932, \$2.01 and in 1931, \$2.44. Dividends were paid at the rate of \$2 per share from the initial disbursement in October of 1928 to October of 1933. The rate was then cut to \$1.50; was increased to \$1.60 in April of 1936; increased to \$1.80 in April of 1937 and to \$2.00 in September of that year. Should no particularly adverse development occur (and none is in sight at the present time) the company should from now on be able to maintain the present rate of distribution.

It must be borne in mind that the company is benefitting currently from its refunding operations carried out in 1936 (with which I have previously dealt in detail) to the extent of about \$150,000 or the equivalent of 15 cents per share on the "A" stock annually. The balance sheet position is strong, the last report (June 30, 1937) showing total current assets of \$7,061,787, of which \$467,525 was cash and \$2,776,491 marketable securities, against total current liabilities of \$3,809,811. The company serves an area with a population of 400,000 and has steadily followed a policy of not only maintaining plants in first-rate condition, but of expanding facilities to keep pace with growing demand. During the last fiscal year several additions to power generating and distributing equipment were made and further installations are taking place during the current year. These expenditures are not approved without thorough study by directors of present and future demands which will be placed upon the system, and to the shareholders such expansion should indicate further satisfactory earnings increase. The company is excellently managed, its labor relationships have been harmonious as have those with its customers, through sane advertising programs. The "A" stock at the present time appears to be a highly desirable addition to the average portfolio.

RENO, JELICOE, PIONEER

Editor, Gold & Dross:

Will you please tell me why Reno Gold Mines shares are selling at such a low price, also what has been happening to Jellicoe lately? What do you think of the outlook for Pioneer?

—L. C. T., Fredericton, N.B.

Undoubtedly the reason Reno Gold Mines is selling at such a low price is the fact that the ore picture is not improving. The company has a strong treasury position but the present dividend can not be maintained indefinitely, unless new ore is discovered. At the annual meeting last October, shareholders were informed ore reserves were about sufficient for a year at the present rate of production. The quantity of ore milled has been stepped up but production has been declining slowly. Some encouragement has recently been secured from diamond drilling on the Donnybrook vein and this ground is to be developed.

Jellicoe Consolidated shares have suffered a rather serious market break, though latterly there has been some recovery. Officials have issued reassuring statements, to the effect that work is going forward according to schedule and that they are satisfied with the results achieved. Diamond drilling indicated 150,000 tons of ore to a depth of 500 feet but the question of a mill will await further development.

Pioneer Gold Mines is assured of profitable operations for a number of years but its future outlook is largely dependent upon deep ore developments, as I understand the workings are again to be extended to still greater depth. Earnings in 1937 were considerably under 1936 due to the lower grade of ore being mined and increased costs. Last year's output was valued at \$2,149,000 as compared with \$2,435,000 in the previous year. Operating expenses were \$951,000 as against \$893,000. As vein fractures persist in favorable geological formations to the present depth there is the possibility conditions will improve.

CHESTERVILLE LARDER LAKE

Editor, Gold & Dross:

I have been advised to speculate in a new mining venture called Chesterville Larder Lake Gold Mining Co., Ltd., and would like to know if you think it has a chance. Please advise me. Also please say what Caryl Mining Corporation has to do with the Chesterville company. Your advice in the past has been very helpful.

—R. S. J., Hamilton, Ont.

Shares of Chesterville Larder Lake Gold Mining Company Limited would appear to offer interesting speculative possibilities. The property comprises three claims immediately adjoining Kerr-Addison Gold Mines on the east and shows similar gold deposition. To date a systematic diamond drilling campaign has indicated in excess of 1,000,000 tons of commercial ore in the main orebody to a depth of 470 feet, with an uncut grade of \$8.30, and by reducing high assays to \$25 a ton, a cut grade of \$5.45. By reducing all high assays to the uncut average the grade is \$3.87. The orebody is 400 feet long and 50 feet wide. Sinking of a three-compartment shaft has commenced which will be put down to 330 feet as soon as power is available. A hoist capable of handling 1,000 tons a day is to be installed. Two levels will be established and the orebody indicated by drilling will be developed. It is expected this program will be completed about next October. The property has intelligent management, and is easily accessible to railway, highway and power.

Caryl Mining Corporation is financing the Chesterville company and holds 89,000 shares and options on 676,000 shares, or 51 per cent. of the authorized capital shares of Chesterville. Caryl is reported to have arranged a financing deal whereby 2,268,000 shares of its treasury stock will be sold to net the company \$873,000. The deal called for \$19,000 firm commitment and the balance under option. The proposed program which calls for erection of permanent buildings, installation of power and machinery, including hoist and sinking of a shaft, is expected to cost about \$156,000.

MCVITTIE-GRAHAM

Editor, Gold & Dross:

I hold shares in McVittie-Graham Mines Ltd., and am wondering if you would advise purchasing more at present prices. What is the meaning of recent press comment on prospects in the Larder Lake district? Also the company is said to have claims in the N.W.T. in which Consolidated Smelters is interested. What effect should this have on McVittie-Graham?

—F. W., Toronto, Ont.

It is difficult to advise you whether you should add to your present holdings. McVittie-Graham Mines is an active exploration and holding company, and seems to me to offer some attraction as a speculation. In connection with Shaver McGarry Gold Mines, in the Larder Lake district, in which it held an option on controlling interest, work has been

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Dividend Notices**BANK OF MONTREAL**

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DIVIDEND NO. 299

NOTICE is hereby given that a DIVIDEND OF TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter payable on and after TUESDAY the FIRST day of MARCH next to Shareholders of record at close of business on 31st January, 1938.

By Order of the Board.
JACKSON DODDS G. W. SPINNEY
General Manager General Manager
Montreal, 18th January, 1938.

McIntyre Porcupine Mines

LIMITED

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DIVIDEND NO. 77

Notice is hereby given that a dividend of ten per cent. (10%) on the Company's Capital Stock will be paid on New York funds on March 1st, 1938, to shareholders of record at the close of business on February 1st, 1938.

By order of the Board.
BALMER NEILLY,
Treasurer.
Dated at Toronto, January 17, 1938.

The Royal Bank of Canada**DIVIDEND NO. 202**

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Tuesday, the first day of March next, to shareholders of record at the close of business on the 31st day of January, 1938.

By order of the Board.
S. G. DOBSON,
General Manager.
Montreal, Que., January 14, 1938.

Loblaws Groceries Co. Limited

NOTICE is hereby given that quarterly dividends of 25 cents per share on the Class "A" shares and 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending February 28th, 1938, payable on the 1st day of March, 1938, to shareholders of record at the close of business on the 10th day of February, 1938. Payment will be made in Canadian Funds.

JUSTIN M. CORK,
Secretary.
Toronto, January 21st, 1938.

MINES

BY J. A. MCRAE

THE Ontario Securities Commission has altered its administrative policy with a view toward making it easier for prospectors and promoters of new mining enterprises to operate.

It will no longer be the policy of the Commission to deal with the question of what price shares may be sold for. Also, vendors will not be compelled to pool their shareholdings entirely.

At the same time, the Securities Commission, headed by John M. Godfrey, K.C., will continue to enforce to the limit the regulations which are calculated to prevent swindles or misrepresentation.

This new policy is one long since advocated by this representative of SATURDAY NIGHT. The promoters of a new enterprise should be compelled to tell the truth. Only treasury shares should be sold by salesmen. Let vendors sell their own stock if they wish, but any such sales should be permitted only through brokers licensed to deal on the listed or unlisted markets. Where public demand develops for shares on such markets, the price is more likely to find a proper level with vendor stock for sale than when shares are made scarce through the pooling of all vendor stock.

Mr. Godfrey has won the highest commendation of all branches of the mining fraternity. The chief causes for a growing fear that mining in the immediate future would become dwarfed by excessive regulations have been swept away. The Ontario Securities Commission has made a contribution to the mining industry which promises to have beneficial results of magnitude. Not only this, but the attitude thus adopted may encourage similar action in other provinces of the dominion.

Base Metals Mining Corporation has indicated a length of 235 ft. of ore in its newly discovered orebody, and with the full limit of the deposit not yet reached. The deposit carries close to 30 per cent. metal—lead and zinc.

McIntyre-Porcupine will pay its regular quarterly dividend of 50 cents per share on March 1st, calling for disbursement of \$399,000, thereby continuing to hold stockholders in suspense. The rate of disbursements to shareholders during recent years has been constant at \$1,596,000 a year whereas net profit after write-offs has exceeded \$3,500,000 annually.

(Continued on Page 22)

GOLD & DIAMOND

stopped for the time being owing to disappointing results. Some of the diamond drill holes gave good values while others were low or indicated nothing at all. For the time being, developments on adjoining properties will be watched.

The company also holds interests at Yellowknife and Gordon Lake in the North West Territories and at Dinty Lake in Saskatchewan. Its block of claims in the Yellowknife district has been turned over to the Consolidated Mining and Smelting Company for development, and it will receive 200,000 shares in a new company to be formed, plus optional rights on one-third of the financing. This ground is between the Con and Ryan groups. A mill is being erected by Smelters on the former, and they recently acquired a 60 per cent. interest in the latter property for a reported figure of \$500,000.

McVittie-Graham recently secured a 5 per cent. interest in a large mining project in New Guinea, in association with English mining companies. The company held a large interest in Veraguas Mines, Panama, and while developments here proved more or less unfavorable, I understand McVittie-Graham secured the full return of its investment and has abandoned the project.

POTPOURRI

E. C. D., Barrie, Ont. The situation is that MIDLAND LOAN AND SAVINGS COMPANY has just reported net earnings equal to 88.2c per share on the \$10 par capital stock for the year ended December 31, 1937, compared to 84½c in 1936. The dividend rate of 80c was thus covered by a wider margin. Operating earnings were down to \$175,825 from \$181,320 in the previous period but interest on deposits and debentures was reduced to \$81,112 from \$88,470, and after expenses and all charges, net was up \$1,358 to \$31,767. Out of total assets of \$3,141,356, liquid securities are shown at \$433,445 with cash on hand amounting to \$108,556. Mortgages and agreements for sale appear at \$2,577,524 compared with \$2,604,033 in 1936.

P. D. L., Peterborough, Ont. I understand that net earnings of DOMINION FOUNDRIES & STEEL LIMITED for the fiscal year ended December last will approximate \$5.50 per share on the 119,513 common shares outstanding. On the basis of present capitalization, net for the fiscal period ended Dec. 31, 1936, amounted to \$2 per share on common. For the first 8 months of 1937 the company reported net earnings equal to \$3.60 after deducting preferred dividends for a 9-month period.

A. M., Gleichen, Alta. The recent interest in KIRKLAND HUDSON BAY shares was likely due to reports that a wide break had been encountered striking off the adjoining Hunton property. A couple of small breaks are stated to have been intersected but values were low and none of the assays were indicative of commercial ore. In the old Hunton property some short stretches of ore, some of it high grade, were located in this break. No ore results have yet been disclosed in the drive south from Lake Shore at 4,450 feet into the Kirkland Hudson Bay ground. It is the hope of the management that part of Lake Shore's No. 1 vein will be met at great depth on the dip. Geology so far encountered has been favorable.

J. W. W., Hamilton, Ont. I think that any holdings of PACKARD MOTOR CAR stock that you have, or that you contemplate purchasing, should compose a relatively small portion of your investment portfolio. I say this because the company has a large capitalization—25,000,000 shares of no par value, of which 15,000,000 shares are outstanding—and substantial earnings per share will be difficult to achieve. Then, too, the company has increased the size of its two lower priced lines, and increased prices substantially, in effect substituting cars from the higher priced brackets for the 1937 Six and "120". This factor, together with the prospective decline of automobile demand, indicates that the sharp increase in unit volume which has resulted from introduction of lower priced cars, will be reversed in 1938. A decline in sales, furthermore, would be likely to prompt price reductions and taking this in connection with the higher unit cost resulting from smaller aggregate production, profit margins are expected to average little if any better than in 1937.

M. A., Trout Lake, B.C. In my opinion shares of BOBJO MINES, which is an operating and holding company, appear worth retaining. Its chief interest at the present time is the holding of a large block of stock in Sand River Gold Mines, which recently came into production. Bobjo also has shareholdings in a large number of other companies including God's Lake, San Antonio, Leitch, Packasack and Atlin-Ruffner, and continues its efforts to locate properties with a chance of developing into producing mines. Exploration of a property which it holds in the Echimaish River area of Manitoba, has given results said to warrant further work, but this awaits better financing conditions.

W. L. P., Saskatoon, Sask. I would say that the recent strength and activity in the common shares of CANADA CEMENT COMPANY reflects the mounting confidence in regard to the operating and earning position of the organization during the next year and more. It is regarded as almost inevitable that demand for Portland cement will fully keep pace with the velocity of improvement in building and construction, as well as in new highway work that is finding marked acceleration.

Ontario and Quebec Form Industrial Axis

(Continued from Page 17)

view of the rising demand for power in Ontario, would have been a search farther afield by the Commission, while Quebec power, which had been developed primarily for Ontario, went begging. A federal angle develops here, from the fact that Ontario is buying a little more power than it needs, and there is still a surplus in Quebec, and the two governments are urging the right to export such surpluses in the face of a contrary policy declared by Ottawa. There seems to be no constitutional way of avoiding such issues, the Dominion having the final say through its jurisdiction over trade and commerce, while the provinces at the same time are concerned with the volume of business and employment that can be attained by industries operating within their boundaries.

A third problem which is currently receiving the joint attention of the provincial governments is that of the paper industry. The Quebec and Ontario ratio, to the country's total output, in this industry is over 80 per cent. It has not the general implications of the minimum wage, nor the public ownership angle which exists in hydro-electric power, but it is a big employer and revenue producer, and also lends itself to some governmental influence through tim-

ber cutting rights and fees. The provincial governments disclaim any desire to control prices, but they have declared their intention to maintain, if possible, the industry in a healthy operating condition. As this is chiefly an export industry, and as no major construction is now under way, there is no immediate conflict of interest, and the situation is one in which the two provinces can co-operate legitimately, and without any inference regarding the rest of the country.

It is regrettable that a similar disposition does not prevail in company control, succession duties and several other matters. In line with its emphasis on provincial rights, Quebec is exerting to the limit its control over companies engaged in the development of resources within the province, even going to the extent of compelling them to operate under Quebec charters. This has brought in some incorporation and annual fees, and some head offices, probably some work for its attorneys and auditors as well, though any major advantages are not so obvious. In succession duties the provinces seem to have agreed to disagree, for there is no further "reciprocity," with the result that one province can and does collect a duty on property located within its jurisdiction, even though

tion throughout the East as also in certain parts of the West. In other words the company's sales and earnings potentials are improving steadily from year to year and this is gradually finding expression in active results achieved, as evidence the husky showing contained in the last annual report. With this in mind it is also recalled that business handled by the company last year was only about 50 per cent. of that in the old peak year of 1929, although the ratio of total income was nearly 75 per cent. of the peak. This means that Canada Cement is making more money today on a given volume of business than it did eight years ago and it is reasonable to believe that this ability to earn will be safely maintained by a capable management. With the preferred shares already returned to a dividend basis and net last year above the fixed rate of dividends, the next step should be treatment of arrears of about 29% points per share, as at March 21 next.

P. W. J., Clinton, Ont. Four levels are under development at UCHI GOLD MINES and results to date are reported to be better than originally expected. Most of the work has been concentrated on the 100- and 300-foot levels and a smaller amount on the 450- and 600-foot levels. There is about 400 feet of ore on the first level with an average width of 20 feet. On the second level drifting has exposed over 200 feet of ore grading \$15 to \$20 to the ton across drift width. In my opinion you do not need to worry much about CENTRAL PATRICIA GOLD MINES. Ore developments at the 1,150- and 1,300-foot levels conform closely with those on the upper levels, both as regards grade and widths. A drive is underway on the 1,450-foot level but word of its progress is not yet available. Production and profits in 1937 are expected when final returns are available, to have shown the best year by far to date. Net earnings should be about 20 cents a share, as against just under 17 cents in 1936.

F. B. S., Winnipeg, Man. Operations of HAYES STEEL PRODUCTS LIMITED for the fiscal year ended Dec. 31, 1937, showed substantial improvement over the preceding year, and orders now on hand are reported to assure the company of capacity operations for many months to come. Net for the fiscal year just closed was sufficient to meet dividend requirements on the 6% preferred shares of \$10 par with a large margin to spare and apparently holders can anticipate payment of a dividend in the near future. For the fiscal year ended Dec. 31, 1936, the company reported net earnings equal to \$1.01 on the preferred.

J. A. E., Hamilton, Ont. RUBEC MINES LIMITED has holdings in Cadillac township and the Chibougamau district of Quebec, but little interest has been shown in the stock since it was reported that certain drill cores from the Cadillac property had been "salted." Further drilling and prospecting was recommended in an engineering report on the property. However, I am of the opinion it will be extremely difficult for the stock to overcome the setback it has received.

S. M. G., Gravenhurst, Ont. I am inclined, like you, to regard CROWN ZELLERBACH CORP. common stock as an attractive speculation at the current price. Because of this company's widely diversified interests—it produces newsprint, wrapping and tissue papers, solid fibre and corrugated containers, paper towels, and other items—it is less likely than more specialized newsprint companies to suffer from the current curtailment of the demand for newsprint, due mainly to business recession in the States and the fact that newsprint consumers have laid up a large inventory in anticipation of the increased price for newsprint in 1938. With the prospects of earnings in 1938 being aided materially by a higher price for newsprint, profits for the fiscal year to end April 30, 1938, are estimated to be in excess of \$2.50 a share. For the year ended April 30, 1937, the company showed a net income (after surtax) of \$5,994,403, as compared with \$2,919,127 in 1936. Earnings per common share in 1937 were \$1.08; in 1936, 76 cents.

S. C. R., Alberton, P.E.I. BEARDMORE GOLD MINES LIMITED was succeeded in 1931 by Beardmore Gold Mines Company Limited, which company has passed out of existence and the property is now being operated by Northern Empire Mines, but Beardmore shareholders have no equity in it.

W. M. E., St. Thomas, Ont. I think BRAZILIAN TRACTION common shares are attractive at the present time as a long-term hold. The recent weakness in commodity prices and the decline in milreis exchange will probably result in some slackening of the company's revenue in the early months of 1938; certainly it will affect the company's efforts over the latter part of 1937. However, the company's gross which was reported to have shown a 28.3 per cent. gain in the 12 months ended August 31st, 1937, as compared with the same period in the previous year, will show a substantial gain for the calendar year 1937 and earnings should be well in excess of \$1.00 per share. While political conditions have been far from settled in the immediate past period, President Vargas seems now to dominate the political scene, and the company seems to anticipate no operating difficulties.

W. E. G., St. Georges, Nfld. COULSON CONSOLIDATED GOLD MINES has been taken over by DEVON GOLD MINES and the exchange basis is to be three old shares for one new, but the former company's interest is pooled. A financing arrangement has been made with a Toronto brokerage house, and a 75-ton mill is to be erected on the property. The known veins are narrow but company officials expect that a commercial grade can be maintained, and it is the intention to sort the ore as much as possible with a view to keeping the grade up. Diamond drilling has confirmed downward continuation of veins to 1,000 feet. A number of veins await development on the 550-foot horizon.

the same piece of property has already been taxed as part of an estate in the other province.

THESE and many others are legitimate fields for co-operation, under present provincial powers, and regardless of what constitutional change may result from the Rowell inquiry. But there is another aspect of Ontario-Quebec policy that may be of more lasting significance. The present Ontario administration, though originally elected on a platform of retrenchment, has swung into the popular trend towards state regulation. L'Union Nationale, which is the party which gave birth to the Duplessis administration in Quebec, advocated an increased control over business. We see now, in their tendency to co-operate, an ambition to overcome the limits set by provincial boundaries, so that public regulation of economic affairs may become more effective. That is evident in power, in newsprint and in minimum wages, as already outlined, and in other fields too numerous to mention. Control by administration rather than by legislation is an evident trend in each province, and that is a feature of the corporate as opposed to the democratic state. Is not this, rather than a conspiracy against the rest of the country, the most significant development in public policy in the central provinces?

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1935	8,344,265	1935	36,857,002
1933	7,858,986	1933	35,184,825
4 year increase 16.3%		4 year increase 14%	

POLICY RESERVES		PAID TO POLICY HOLDERS AND BENEFICIARIES	
1937	\$7,875,571	1937	\$ 870,517
1935	6,829,362	1935	840,319
1933	7,227,930	1933	1,001,038
4 year increase 15.3%		75% paid to living Policyholders.	

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Effective February 1st

CAUSE

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TORONTO MONTREAL

51st ANNUAL REPORT

Summary

	1936	1937
NEW INSURANCE (Including Deferred Annuities)	\$ 56,449,328	\$ 60,159,855
INSURANCE IN FORCE (Including Deferred Annuities)	532,539,708	556,535,261
ASSETS	143,685,518	154,938,934
INCOME	30,713,813	32,155,456
POLICY AND ANNUITY RESERVES	121,407,993	131,371,598
CONTINGENCY RESERVE AND SURPLUS	5,329,173	5,842,928

Payments to living policyholders in 1937 amounted to \$9,139,323; to beneficiaries in Death Claims \$4,233,219; a total of \$13,372,542.

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INSURANCE COMPANY

HEAD OFFICE

TORONTO, CANADA

Concerning Insurance

POLICYHOLDERS PAY

Heavy and Discriminatory Taxation Levied on Life Insurance in Canada Falls on the Insured

BY GEORGE GILBERT

IF THE upwards of 3,500,000 holders of life insurance policies in Canada, comprising about one-third of the entire population of the country, could be brought to realize as a body that they are the people who are paying practically all of the taxes levied against the life insurance business, and that much of this taxation is excessive as well as discriminatory, they indubitably would be moved to make a strong and effective protest. But they evidently take it for granted that the money comes out of the well-filled coffers of the rich insurance corporations, and that it does not affect their pockets and the politicians who vote for these taxes apparently take the same view.

Of course, no objection can be raised, or has been raised, to the taxation of life insurance to the extent necessary to cover the cost of government supervision of the business, or to the property or other taxes that are imposed on all property owners or on all businesses alike, because it is recognized that the life insurance business, like any other business, must bear its fair share of the general tax burden. But the Provincial Governments go further than that, and levy a tax on the premium payments of the policyholders. These moneys are paid in for the sole purpose of providing some measure of protection for policyholders and their families against the financial hazards of death and a dependent old age—an objective which is generally admitted to be of the highest economic importance to the country at large. Any tax on these payments lessens their effectiveness to that extent, and is thus opposed to the best interests of the nation as a whole.

IN THE excellent brief submitted to the Royal Commission on Dominion-Provincial Relations at Ottawa recently on behalf of the Canadian Life Insurance Officers Association, the amount and extent of the taxation of life insurance companies, policyholders and beneficiaries was dealt with in a most comprehensive, yet clear and concise, manner. While pointing out that the taxation imposed upon policyholders and their beneficiaries is substantial, attention is directed to the fact that the full extent of this taxation is not generally appreciated because it is largely indirect taxation which the life insurance policyholders do not pay directly.

Schedule A in the Appendix to the brief gives particulars of the special taxes, fees, assessments, etc., paid in Canada in 1936 by company members of the Association representing 98.5% of the total life insurance in force in this country. To the Dominion the companies paid a total of \$294,108.34, made up of \$190,757.62 in income war tax and \$103,350.72 in Department of Insurance assessment.

To the nine provinces and various municipalities the companies paid a total of \$3,478,480.25, made up as follows: Premium taxes, \$3,256,300.37; annual license fees under provincial Insurance Acts, \$38,804.84; miscellaneous annual fees under provincial Insurance Acts, \$10,678.58; investment taxes, \$33,436.70; corporation profit tax in Quebec, \$5,675.03; annual fees under statutes other than Insurance Acts, \$5,651.87; other than property and business taxes in various munici-

palities in New Brunswick, Nova Scotia and Quebec, \$24,582.04.

With regard to the Dominion taxes, it is explained that the income war tax is imposed on amounts credited to shareholders' account. In 1927 the rate was 9% on all income over \$2,000. It is now 15% with no exemption. The Dominion Insurance Department assessment is made to cover the cost of maintaining the department, and the rate is approximately one-sixteenth of one per cent of their premium income in Canada.

With regard to provincial taxation, it is noted that a premium tax is imposed by each province on the premiums received in respect of the business transacted in the province, and that certain deductions are provided for by the statutes from the gross figures in regard to, among other things, premiums returned to policyholders and premiums paid for reinsurance. These deductions and the practice followed by the taxing departments are not uniform but vary in many particulars.

Several of the provinces, it is pointed out, impose a minimum tax, while in another province the tax is graduated, the rate increasing with the increase in premium income. In recent years the rates of tax have been materially increased; in one province the increase in the past two years was 100%, and in another, 50%. The present rates vary from 1% to 3.3%.

There is a table showing the rates obtaining in 1937 as contrasted with those in effect in 1927. During the ten years the rate in Alberta increased from 2% to 3.3%; in British Columbia, from 2% less \$100 to 2¼%; in Manitoba, from 2% to 3% in New Brunswick, from 1½% plus \$100 to 2¼% plus \$150; in Nova Scotia, from 2% (minimum \$100) to 2½% (minimum \$100); in Ontario, from 1¼% to 1¾% in Prince Edward Island, from 1% (minimum \$100) to 2% (minimum \$100); in Quebec there was no change, 1¾% (minimum \$400) being the rate both in 1927 and 1937; in Saskatchewan, from 1% graduated when premiums less than \$200,000, 2% when premiums \$200,000 or over (minimum \$100 where capital \$100,000 or less; minimum \$175 where capital exceeds \$100,000) to 1½% to 3% graduated when premiums less than \$200,000, 3% when premiums \$200,000 or over (minimum \$150 where capital \$100,000 or less; minimum \$262.50 where capital exceeds \$100,000).

WITH regard to annual license fees under provincial Insurance Acts, it is noted that most of the provinces impose an annual license tax upon companies doing business within the province in the following amounts: Alberta, \$330; British Columbia, \$100; Manitoba, \$100; New Brunswick, nil; Nova Scotia, nil; Ontario, \$150-\$300, graduated according to assets; Prince Edward Island, nil; Quebec, \$165; Saskatchewan, \$200.

There are also miscellaneous annual fees under provincial Insurance Acts, which are set out as follows: Alberta, \$5; British Columbia, \$10; Manitoba, \$5; New Brunswick, contribution to expenses of Insurance Department in proportion to premiums received in province; Nova Scotia, nil; Ontario, \$5; Prince Edward Island, nil; Quebec, \$6 filing fee; Saskatchewan, nil.

There is an investment tax in Alberta of ¼ of 1% on gross income from investments within the province when such investments exceed \$50,000, plus 10% of tax (surplus); and in Saskatchewan there is a 50 cents per 1,000 invested where such investments exceed a total of \$25,000. In Quebec there is a corporations profits tax of 2½% on the profits of the companies earned in the province. There are also annual fees payable in some provinces, as follows: Manitoba, \$2-\$10 graduated according to capital; Nova Scotia, \$10 minimum and graduated according to nominal capital; \$2 appointment of agent; Saskatchewan, \$5.

In Schedule D there is a description of the municipal taxes and fees which are levied on insurance companies in addition to ordinary business taxes imposed upon them in common with all other companies maintaining offices in the municipality. In Alberta, British Columbia, Manitoba and Saskatchewan such taxes are definitely prohibited, and there is no such tax levied in Ontario. In New Brunswick such taxation is restricted to imposition of taxes, licenses and fees not exceeding the sum payable on April 24, 1920. Five New Brunswick municipalities levy such taxes. In Nova Scotia the tax is restricted to an amount not exceeding any sum payable on May 16, 1921. Six Nova Scotia municipalities impose such taxes. In Prince Edward Island eight municipalities make impositions, ranging from \$5 to \$100. In Quebec thirty-eight municipalities levy such taxation, ranging in amount from \$5 to \$500.

STEADY GROWTH OF CONFEDERATION LIFE

INCREASES last year in business in force, in assets, premium income and surplus reflect the steady progress of the Confederation Life Association.

At the end of 1937 the total assurances in force were \$411,141,459, showing a gain of \$12,641,886, while the new assurances issued and paid for, including revived policies, amounted to \$48,443,831, showing an increase of \$937,318.

Total net income for 1937 was \$22,573,292, an increase of \$975,-



LORNE ARDIEL has been elected to the board of directors, the Continental Life Insurance Company.

464, while payments to policyholders and beneficiaries amounted to \$13,092,535. Dividends to policyholders, including guaranteed dividends, totalled \$1,891,727.

Total assets at the close of 1937 were \$120,673,527, an increase for the year of \$7,728,024. The assets are taken into the balance sheet at their book values, which are less by over \$2,500,000 than their market values as ascertained by the Dominion Insurance Department.

Surplus earned during 1937 amounted to \$2,876,326, including \$414,850 net profit on the sale of securities. Operating profit for the year was \$2,461,476, an increase over that of 1936 of \$13,642. Total surplus at end of 1937 was \$8,513,998, which was \$481,989 more than it was a year ago and the highest point in the history of the Association. The free and unallotted surplus was \$4,686,929, showing an increase for the year of \$627,285.

PRUDENTIAL OF ENGLAND NEW BUSINESS

IN A cable from the Chief office in London, England, received by Mr. F. C. Capon, Life Manager for Canada, the directors of the Prudential Assurance Company Limited of London, England, announce that the net new business sums assured in the ordinary branch written during 1937, excluding group business, exceeded \$147,300,000. Consideration for annuities granted exceeded \$4,250,000. The above figures are converted at the rate of five dollars to the pound.

SYDNEY UNDERWRITERS ELECT OFFICERS

AT THE annual meeting of the Sydney Branch of the Life Underwriters Association on January 13, the following officers were elected: President, William Boudreau, Mutual Life; vice-president, William Milling, Metropolitan Life; secretary-treasurer, H. H. Simpson, Excelsior Life; Directors—J. T. Martell, Metropolitan Life; Dan McDonald, Great-West Life; W. Gunn, London Life. The Association closed 1937 with the largest membership in its history, for which due credit was given to the work of past President J. T. Martell.

INSURANCE INQUIRIES

Editor, Concerning Insurance:

As a reader of your paper I shall be glad if you would give me the following information:

1. At my present age of 55, if I were to deposit \$2,000 with the government, to what yearly income would I be entitled in 10 years from now, (a) under the Life Annuity plan for 10 years in any event, (b) Under the Life Annuity plan for 15 years in any event.

2. A friend of mine 43 years of age has \$1000 to invest. If this sum were deposited with the Government now to what yearly income would she be entitled in 15 years from now under (a) The Life Annuity plan for 10 years in any event.

—M. I. L. Winnipeg, Man.

If you were to deposit \$2,000 now with the Dominion Government for an annuity, you would be entitled to a life income at age 65 of \$231.20 a year, guaranteed for 10 years in any event or \$205.00 a year, guaranteed for 15 years in any event.

A woman aged 43 years, by depositing \$1,000 now with the Government for an annuity, would be entitled at age 60 to a yearly income of \$136.40 for life, with 10 years' income guaranteed in any event, so that should

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THE OCEAN ACCIDENT & GUARANTEE CORPORATION LIMITED, FOR ALL CLASSES OF INSURANCE

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ALBERT C. HALL
Manager for Canada
and Newfoundland

CHARLES HAGYARD
Assistant Manager

Applications for Agencies Invited.

THE OLDEST INSURANCE OFFICE IN THE WORLD



ROBERT LYNCH STALLING,
Manager for Canada

EVERYONE NEEDS THE SUN



ABSOLUTE SECURITY
W. R. HOUGHTON, MANAGER

United States
Fidelity & Guaranty
Company
TORONTO

NOTICE TO READERS

Saturday Night's Insurance advice service is for the use of paid-in-advance mail subscribers only. Saturday Night regrets that it cannot answer inquiries from non-subscribers.

Each inquiry must positively be accompanied by the address label attached to the front page of each copy of Saturday Night sent to a regular subscriber and by a stamped, self-addressed envelope.

Each letter of inquiry should refer to one subject only. If information on more than one subject is desired the sum of fifty cents must be sent with the letter for each additional question.

Inquiries which do not fill the above conditions will not be answered.

NATIONAL RETAILERS MUTUAL INS. CO.

Vance C. Smith, Chief Agent

FIRE INSURANCE AND ALLIED LINES
NON-ASSESSABLE PARTICIPATING POLICIES
AGENCY ENQUIRIES INVITED

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Unusually attractive policies offering adequate indemnity at very favourable rates. Issued by the only all-Canadian company providing insurance against accident, sickness and accidental death exclusively for members of the Masonic fraternity. Agents in all principal cities and towns of Canada.

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The Protective Association of Canada

S/N

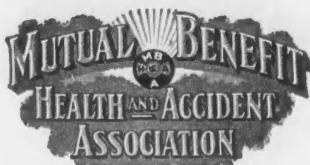
Your Bank Account

Why not open an emergency account?

For a small yearly deposit you can arrange an emergency bank account. When accident or sickness interferes with the regular income, you can turn to this new account and have unstinted credit—monthly payments that may last a lifetime—if necessary.

Let us give you particulars.

\$65,000,000.00
Paid in
Benefits



Low-Cost
Complete
Protection

HEAD OFFICE FOR CANADA, 34 KING ST. EAST, TORONTO



A fair attitude in the settlement of claims is productive of high regard and goodwill amongst our Agents and Assured.

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HEAD OFFICE TORONTO
Everything but Life Insurance—Agency Correspondence invited.
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BURGLARY! HOLD UP!

You Need Protection
Against the Criminal

Consult Any Agent of

The Dominion of Canada GENERAL INSURANCE CO.

HEAD OFFICE — TORONTO

BRANCHES: Montreal, Ottawa, Hamilton, London,
Winnipeg, Calgary and Vancouver.



1937 saw a continuation of the steady forward march of The Northern Life.

Increase in New Business

New business paid for, plus revivals, amount to \$7,061,727, being a slight increase over the satisfactory figures of 1936.

Reduction in Expenses

This increase in new business was obtained with a very definite decrease in the new business expense ratio.

Gain in Force

The business in force increased by \$1,669,884, to \$46,381,947. This increase is almost double the increase effected in 1936.

Lower Terminations

Owing to the generally better conditions and constant attention of the company, terminations of business through lapses, surrender, etc., were much lower than in 1936.

Investments

During 1937 the company was successful in keeping its funds invested at satisfactory rates of interest, and better economic conditions greatly improved the security and returns on investments of former years.

Northern Life

Assurance Company of Canada
Established 1897 Home Office: London, Canada

she not survive for ten years after the commencement of the yearly income the remainder of the payments would go to her heirs. It would be necessary to write the Annuities Branch, Department of Labor, Ottawa, if she wanted to know what yearly income she would be entitled to receive at age 58, that is, at the end of 15 years, as this information is not available here.

Editor, Concerning Insurance:

I have a 3-year policy in the Economical Mutual Fire Ins. Co.—I switched from an English Co. by reason of a raise in rates. Recently I have heard strength and stability of Mutual companies questioned. Will you be good enough to give me your opinion on this and the above company in particular.

—O. L. J. St. Catharines, Ont.

Economical Mutual Fire Insurance Company, Kitchener, Ont., is an old-established Canadian company, having been incorporated in 1871. It operated under Provincial charter and license until 1936, and since then has been carrying on business under Dominion charter and registry.

It is regularly licensed for the transaction of business throughout Canada, and has a deposit with the Government at Ottawa of \$218,000 for the protection of Canadian policyholders exclusively. All claims are readily collectable, and the company is safe to do business with.

At the end of 1936 its total admitted assets were \$2,212,359.69, while its total liabilities amounted to \$296,569.04. There was thus a surplus of \$1,915,790.65 over unearned premium reserves and all liabilities. Comparing the amount of this surplus with the amount of the unearned premium reserve liability, \$213,951.30, it will be apparent that the company occupies a very strong financial position in relation to the volume of business transacted.

Editor, Concerning Insurance:

I would appreciate it if you would give me a little advice in connection with my personal life insurance program. At the present time I am 35 years of age, married 7 years, with one daughter aged 3½ years and another child due to arrive about February. My present life insurance is as follows:

\$1,000—\$31.00 Prem.; 20 Pay Life (a) (c).
\$2,000—\$66.70 Prem.; 20 Pay Life (a) (c).

\$5,000—\$184.00 (\$7,230 at maturity) (b) (c) Prem.; Protection investment Bond. Matures 21/6/63 and pays \$50 per mo. for life or 10 yr. minimum.

\$1,000 Paid by Co. Group (c).
(a) Dividends taken.
(b) Dividends left with Co.
(c) Includes Total Disability.

I feel that I would like to carry more insurance as all the insurance I have plus Government Bonds to the amount of \$1,500, these being all my assets outside of a 1936 Chevrolet car and household effects worth about \$2,000, if invested in an annuity would only bring my wife something over \$40 per month at her present age, which is 32, and with two children to care for that is not very much. My debts, I may say, are nil and I have some \$650 in the bank, which should be sufficient to take care of the final illness and burial.

However, I do not feel that I can afford to pay out very much more in the way of premiums and I was wondering what you would think of this idea. At the present time, by surrendering the policies, I could obtain for Items 1 and 2 policies in the amount of \$1,000 and \$2,000 paid up for approximately 30 and 25 years respectively under the Term Assurance Privilege of the policies. This would mean the insurance was effective to 1967 and 1962 respectively and, so I take it, no more premiums would be payable thereon. About that time the pension becomes payable and should I be living then I shall receive a pension of over \$50 per month for life. Should I die the pension will continue until it has been paid for ten years, then my wife would be almost eligible for the Old Age Pension. In the meantime, if I die she will receive the face value of the insurance plus the additional insurance obtained with the ninety odd dollars released by no longer paying on these two policies.

My plan depends a great deal on my being able to continue the payments on the Pension Bond; but if I cannot continue these, it is more

than likely that I would not be able to continue paying on the other policies. In any case I could continue the payments on the other policies for a year or two longer in order to pay them up sufficiently to obtain term insurance to the age of 70. You will understand, of course, that in making this suggestion I am trying to look on the darkest side so that whatever happens, my wife and children will be taken care of.

One thing worrying me about my idea is the question of total disability. At present I have the Total Disability Clause on all my policies, but what I would like to know is whether or not this clause would appear on the policies I took in substitution for the ones given up, and if it did appear on the new policies would it be the old clause or the new one adopted recently by the Companies? If you would advise me on this point and also give me your opinion of my plan it would be greatly appreciated.

—F. C. C. Calgary, Alta.

It would not pay you in my opinion to utilize your two 20-pay life policies in the way suggested. It would be better to continue the two policies until they become paid up, when you will have \$3,000 insurance protection for the rest of your life, or as long as such protection is needed, without further cost. One of your 20-pay life policies has only seven more years to go before it will be paid up and the other has ten years. To take care of your present need for more protection, you could buy convertible term insurance, to be converted into permanent life insurance when your 20-pay life policies become paid up.

Should the time arrive when insurance protection is no longer required, you could use the cash value of your income, or for any purpose which would best meet your needs at that time.

SERVICE!

To keep your premium volume steadily growing, you must have behind you an organization that is ready and able to serve you—to earnestly consider and help solve your particular problems—to keep you apprized of any developments that may help you.

Unfailing, prompt and courteous service to agents and policyholders is one of the fundamental reasons for Great American's continued progress.

Unsurpassed loss adjustment service throughout Canada and the United States.

Represent one of these companies

GREAT AMERICAN
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OF PHILADELPHIA

Fire Automobile

Hail Inland Transportation

HEAD OFFICE FOR CANADA — 465 ST. JOHN ST., MONTREAL

Adam McBride Manager

J. H. Harvey Assistant Manager

TORONTO

WINNIPEG

VANCOUVER

106th Annual Statement

The Bank of Nova Scotia

Capital Paid Up
\$12,000,000



Reserve Fund
\$24,000,000

PROFIT AND LOSS

Balance December 31st, 1936	\$ 803,316.30
Net profits for the year ending December 31st, 1937, after Dominion and Provincial taxes \$460,481.25 and after making appropriations to Contingent Accounts out of which accounts full provision for Bad and Doubtful Debts has been made	1,982,140.58
	\$ 2,785,456.88
Dividends Nos. 269, 270, 271 and 272 at 3% per quarter	\$ 1,440,000.00
Contribution to Officers' Pension Fund	180,000.00
Written off Bank Premises	250,000.00
Balance carried forward December 31st, 1937	915,456.88
	\$ 2,785,456.88

GENERAL STATEMENT AS AT DECEMBER 31st, 1937

LIABILITIES	
Capital paid up	\$ 12,000,000.00
Reserve fund	24,000,000.00
Dividends declared and unpaid	361,625.85
Balance of profits, as per profit and loss account	915,456.88
	\$ 37,277,082.73
Notes in circulation	\$ 8,660,249.13
Deposits by and balances due to Dominion Government	311,499.31
Deposits by and balances due to provincial governments	978,233.59
Deposits by the public not bearing interest	60,769,188.15
Deposits by the public bearing interest, including interest accrued to date of statement	180,358,263.51
	242,417,184.56
	\$251,077,433.69
Deposits by and balances due to other chartered banks in Canada	2,240,327.87
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries	3,179,072.78
Bills payable	69,658.35
	\$256,566,492.69
Acceptances and letters of credit outstanding	5,339,180.29
Liabilities to the public not included under the foregoing heads	296,946.91
	\$299,479,702.62

ASSETS

Gold held in Canada	\$ 2,541.84
Subsidiary coin held in Canada	352,333.08
Gold held elsewhere	3,896.50
Subsidiary coin held elsewhere	1,224,032.19
Notes of Bank of Canada	3,663,114.25
Deposits with Bank of Canada	21,206,978.71
Notes of other chartered banks	365,402.30
Government and bank notes other than Canadian	4,970,548.58
	\$ 31,788,847.45
Cheques on other banks	10,789,169.17
Due by banks and banking correspondents elsewhere than in Canada	9,374,243.34
	\$ 51,952,259.96
Dominion and provincial government direct and guaranteed securities, maturing within two years, not exceeding market value	32,942,022.59
Other Dominion and provincial government direct and guaranteed securities not exceeding market value	61,832,073.50
Canadian municipal securities, not exceeding market value	12,599,154.54
Public securities other than Canadian, not exceeding market value	800,197.16
Other bonds, debentures and stocks, not exceeding market value	13,515,591.85
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities of a sufficient marketable value to cover	7,539,896.35
Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover	3,172,491.56
	\$184,353,687.51
Current loans and discounts in Canada, not otherwise included, estimated loss provided for	\$ 77,261,994.93
Current loans and discounts elsewhere than in Canada, not otherwise included, estimated loss provided for	16,144,345.84
Loans to provincial governments	924,507.90
Loans to cities, towns, municipalities and school districts	5,327,211.40
Non-current loans, estimated loss provided for	522,512.30
	\$100,180,572.37
Liabilities of customers under acceptances and letters of credit as per contra	5,339,180.29
Mortgages on real estate sold by the bank	100,853.36
Bank premises, at not more than cost, less amounts written off	6,389,861.21
Deposit with the Minister of Finance for the security of note circulation	527,748.74
Shares of and loans to controlled companies	2,500,000.00
Other assets not included under the foregoing heads	87,799.14
	\$299,479,702.62

J. A. McLEOD, President

H. F. PATTERSON, General Manager

Auditors' Report to the Shareholders:

We have examined the above General Statement of Liabilities and Assets as at December 31st, 1937, and compared it with the books at the Chief Office and with the certified returns from the Branches. The Bank's investments and cash on hand at the Chief Office and at the Toronto and Montreal Branches were confirmed by us at the close of business on December 31st, 1937. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We report that in our opinion the above statement discloses the true condition of the Bank and is as shown by the books of the Bank.

D. McK. McCLELLAND, F.C.A.,
of Price, Waterhouse & Co.
A. B. SHEPHERD, F.C.A.,
of Peat, Marwick, Mitchell & Co.

Auditors.

TORONTO, CANADA, 15th January, 1938.

LEADING UNDERWRITER



KENNETH G. BROWN, M.A., C.L.U. Announcement has just been made by the Head Office of the Canada Life Assurance Company that in 1937 Kenneth G. Brown, a member of the Central Ontario Branch, Hamilton, again led the entire agency force of the Company in Canada. Mr. Brown has had a brilliant career as a Life Underwriter. He has been an officer of the Quarter Million Club every year since 1930 and is also an officer of the "Millionaires Club" an honor group of Canada Life representatives who have placed on the books of the Company and have in force at least One Million dollars of personal business.

91st Canada Life Report Reveals Marked Progress

A. N. Mitchell Emphasizes Importance of Political and Economic Developments to Policyholders and Those Dependent on Them.

At the 91st Annual Meeting of the Canada Life Assurance Company, held in the Head Office at Toronto, the results of a very successful year were reviewed by Mr. Leighton McCarthy, K.C., President, and Mr. A. N. Mitchell, Vice-President and General Manager.

In presenting the annual report, Mr. McCarthy stated in part:

I feel confident that the Policyholders and Shareholders will share the satisfaction which your Directors and the members of the Executive feel in regard to the Ninety-first Annual Report of this Company, which I now have the honor to present.

Canada, during the last twelve months has reasonably well maintained the buoyancy predicted for her. She, however, appears to be suffering somewhat in her confidence, probably due to the recession of business which seems to have taken place during the last few months in the United States and to a lesser extent in Canada, supplemented by the grave international disturbances which are and have been for some time on the world's horizon.

Practise Golden Rule.

If the peoples of the various nations of the world would more readily practise the Golden Rule—internationally, in dealing with each other, and internally, between Labor and Capital—the problems, international and internal, that are causing so much distress and lack of confidence and faith would be more easily solved.

The people are getting themselves off the back of municipalities; municipalities are getting themselves off the back of the Province or State, and the Provinces or States are getting themselves off the back of the Federal Government. Thus as they continue increasingly to do so, will all of us find our burdens lighter, for the more heavily the people lean on Government for support, the more heavily Government must lean on the people for the very support which is demanded of it. It all comes from the people at last, but in an unnecessarily costly and demoralizing way.

Reserve Policy.

The unwise and unfair legislation referred to by me last year remains on the Statutes, and the international horizon still remains clouded. Your Executive and Directors therefore, notwithstanding the buoyant feeling above expressed, believe it to be the course of wisdom to continue to maintain and strengthen the reserves against such conditions as have been created, until they are further cleared up, and they are placed in a position to distribute with safety the fruits of the recovery which undoubtedly, despite occasional setbacks, is taking place.

As Mr. Mitchell will explain to you, your Directors felt justified in increasing the dividends to policyholders last July, and have provided in these accounts for a further increase this year, should they deem it wise to do so.

The Balance Sheet which has been submitted today indicates that your Company is fully benefiting by the increased business, industrial and mineral development. As a consequence, I assume without doubt that you will regard the Statement submitted as a satisfactory one.

In the course of our day-to-day operations, I obtain an intimate knowledge of the Company's affairs, and have no hesitation in assuring our Policyholders and our Shareholders that this Company's position has never been more stable and sound, and that it is equipped with an eminently well qualified staff and facilities fully adequate to meet the demands of its business.

Mr. Mitchell's Address

In addressing the meeting Mr. A. N. Mitchell, Vice-President and General Manager, spoke as follows:

During 1937 the Company passed another important milestone in its history—its 90th anniversary. It takes pride not only in the material accomplishments of that period but also in the traditions that have been established for fair and equitable dealing.

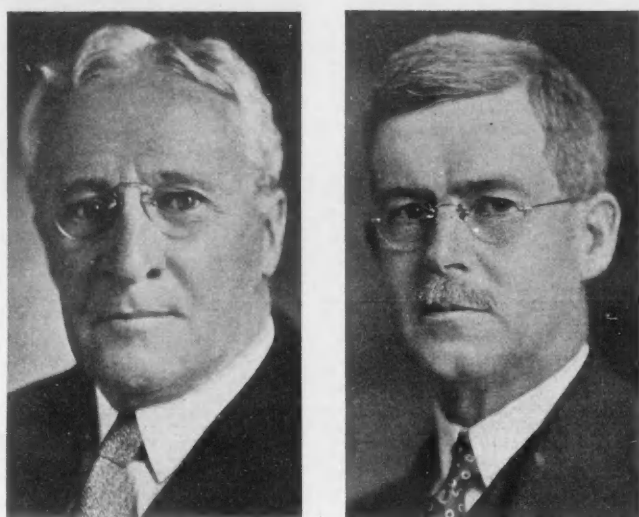
These traditions constantly remind today's employees that they are working to further establish the reputation of the first life insurance company organized in Canada and the eighth to be organized on this continent.

Our predecessors helped to establish the standards of the business. The desire of the present personnel is not only to maintain but, if possible, to elevate those standards.

What those ninety years have meant to Canada is exemplified when we remember that the year of the Company's founding, 1847, was two years prior to the mob in Montreal which burned the newly united Provinces of Upper and Lower Canada and stoned the then Governor-General, Lord Elgin, because of the signing of the Rebellion Losses Bill. It was seventeen years before those memorable conferences in 1864 in Charlottetown and the City of Quebec, which first discussed Confederation. It was almost forty years before railways carried population and trade into our Western Provinces.

Co-operative Effort.

The thought which guided a group of people, twenty years before a united Canada was born, to join in an effort to protect themselves and their beneficiaries against economic



Leighton McCarthy, K.C., President, and A. N. Mitchell, Vice-President and General Manager, of the Canada Life Assurance Company, who addressed shareholders and policyholders at the Company's ninety-first annual meeting.

A Record of Achievement

New paid-for insurance in 1937 amounted to \$69,431,228—an increase of \$12,394,821, or 21.7%, over the previous year. Gains were registered in every country served by the Canada Life.

Direct written insurance in force, excluding re-insurance from other companies and annuities, increased over \$10,250,000. Total insurance in force is \$819,385,545.

Assets stand at the all-time high of \$259,339,738, an increase of more than \$6.8 millions.

Reserves held to meet policies now in force total \$231,336,275, \$4.7 millions higher than in 1936.

Surplus funds and special reserves have increased to \$10,185,640.

Experience in regard to preventable terminations in 1937 was the most favorable since 1920.

Payments to policy-owners, annuitants and beneficiaries in 1937 amounted to \$23,514,630. Of this amount, \$15,649,158, or 66%, was distributed to living policy owners and annuitants.

Since 1847, the Company has paid to or accumulated for policy owners, annuitants and beneficiaries, more than \$650 millions—over \$50 millions more than it has received in premiums. Approximately 700,000 policy contracts have been written by the Company since the first policy was issued in 1847.

Dividends to policy owners have been declared for every year without exception over the past 89 years. The total amounts to \$104,600,000, which is 74.2% of the Company's total death claims paid to date.

distress, has developed tremendously in the meantime. It would be difficult to appraise the advantage this thought held not only for the group which produced it, and for those who later adopted it, but for Canada as a whole.

Through the thrift of this group and their later associates, and through this desire to protect their dependents and to provide for themselves in their own old age, Canada has been helped to furnish its educational facilities, build its homes, develop its agriculture, evolve its industries, pave its roads, construct its towns and cities, carry on its federal, provincial and municipal governments, and in thousands of ways to help construct the nation of today.

Benefits Exceed Relief Payments.

Other groups of citizens have meanwhile come together in co-operative effort in many similar companies. Some conception of what these have meant to Canada is had from a look at the recent years of depression. From 1929 to 1936 the life insurance companies have paid out in Canada to their policyholders and beneficiaries (not including loans on policies) the tremendous sum of one billion one hundred and thirty-five million dollars. This amount, so far as can be ascertained from Government statistics, exceeds the total paid for unemployment and other direct relief by all the federal, provincial and municipal governments of the country during that period.

Investments Abroad.

Policyholders and beneficiaries in the United States and the British Isles were also receiving similar help during this troublesome period. Moreover, in these countries, and here, this help was after all only a small section of the values being yielded by this co-operative movement. Further billions of the accumulated funds were being invested by the companies in governments and municipalities, industry, homes, agriculture and commerce. One can only imagine how much more disastrous these years could have been without the development of this co-operation.

It is a great pleasure at the close of these ninety years of this Company to find its activities still evidencing the energy of youth and to find the head office and field staffs of the Company showing increasing ambition and effectiveness on its behalf.

It is encouraging also to find on this 90th anniversary that the selection and training of field representatives is a matter of increasing concern. This is a justifiable concern moreover, because the increasing complexity attendant upon the winding up of estates in these days has made constantly heavier demands upon the equipment of life insurance field representatives.

Large Policy Payments.

During the year \$23,514,000 was paid out to policyholders and beneficiaries. These figures further emphasize those important favorable results before referred to which accrue both to our policyholders and to the countries in which we do business, from the thrift practised by the constituents of this and similar companies. At no time in the history of life insurance has there been a period in which the business has been better able to demonstrate its usefulness to the body politic than during these recent years.

Once more considering the fact that continuation of low interest rates has determined the Company to continue its conservative policy in connection with accepting single premium and annuity considerations, the increased assets has been most satisfactory.

Valuation Conservative.

The valuation of the assets has again also been treated on a most conservative basis. It has been our constant contention that the fluctuating market value of sound bonds should not be taken into consideration in arriving at the status of an insurance company, which purchases these securities to satisfy long date contracts. Accordingly, our assets again come before you at their book value, which in the case of sound bonds with fixed maturities is an amortized value and considerably less in the aggregate than would be the case if market values were discussed.

Our relatively small holdings of defaulted and depreciated securities are written down in conformity with what we believe to be their intrinsic worth. Our mortgage business has again been revalued and ample reserves, we believe, provided to meet contingencies that may arise. We have also still further strengthened the position of overdue and accrued interest on mortgages and have written down the principal of mortgages in accordance with a strict valuation made by our experts on the individual properties.

We might point out that the contingency reserve of \$2,000,000, as well as a substantial portion of a floating reserve of \$1,450,000, can be properly regarded as safeguarding our mortgage investments.

Profits on Sales.

During the year, we realized an excess of \$410,000 above our book value in connection with assets sold. This, of course, includes a substantial amount of recoveries on securities previously written down. It also, however, includes a very considerable sum due to the foresight of our treasury department in their method of dealing with gilt-edged securities. We have felt it wise, however, to use the total amount of this profit and

recovery, together with about \$200,000 in addition, to write down other investments. Much of this we trust will also be recovered when these investments are sold, mature, or are replaced otherwise. In the meantime, these securities are made ready for any readjustments that may be devised for them in any reorganizations brought about.

Special Reserves.

Despite this conservative valuation of our assets, our total special reserves have been increased to \$10,185,640. These include not only provision for policy dividends, but the special contingency reserve referred to before of \$2,000,000 and an unassigned surplus of \$5,013,640, which is over half-a-million dollars in excess of the same item last year. These surplus funds and special reserves are, of course, in addition to the substantial sums to which we have previously referred, which have been used in arriving at a conservative valuation of our assets and also do not include the large amount by which our strict provision for policy liabilities exceeds any government requirement.

Interest Rate.

We pointed out last year that including in our yearly revenue cash interest only would probably tend to stabilize the rate during these years of low interest earnings on new investments. This effect seems to have been accomplished in 1937 since the rate for that year is 4.24 per cent, as against 4.26 per cent for the year 1936.

The year has naturally been a difficult one from the standpoint of cash interest collections in certain sections of our business. The almost complete drought in Saskatchewan naturally affected collections from that province. Furthermore, many excellent securities held on our books at the end of 1936 have been refinanced at lower rates through the call clauses in the bonds, while new investments, of course, have necessarily had to be made at the lower prevailing rates.

Encouraging Features.

There were, of course, offsetting features in Manitoba and Alberta. It is very encouraging indeed in Alberta to find such a large proportion of borrowers, where crops were more or less satisfactory, disregarding the legalized moratorium and meeting their obligations. It should also be encouraging to the borrowers of that province that the lending companies as a whole have been so generally taking advantage of the more favourable circumstances of this year's crop to get mortgage loans there readjusted in a vast number of individual cases where difficulties have been encountered.

Those fearful of the attitude of mind in our Western Provinces must be greatly encouraged to find how largely the Western borrower is demonstrating that he is a basically sound risk. We all hope and pray that the better moisture content which the land there carried over to the end of 1937 may forecast a generally improved condition in 1938. If Providence brings about such a result, the evidence of 1937 would indicate that many of the difficulties will disappear.

Prospects in Saskatchewan.

Another encouraging report comes from our managers in Saskatchewan and is to the effect that there are still a large number of capable farmers and farmers' sons ready to take on more land as soon as the situation is such as to encourage the feeling that conditions will safely produce seed and feed and provide a surplus to buy machinery, so that they can lessen their cost by working larger areas.

Once the drought period is past, one problem that will arise for governments and mortgage companies will be to see that these men are enabled to carry out their desires and assist in the future stabilization of the Western situation. This does not mean that unsuitable areas should be thrown into grain production but that a sanely co-operating service by all parties should produce situations whereby the future developers of the West may be assured of continuing their farming operations in the West under sound economic conditions. The present plans of the Dominion and Saskatchewan governments are, in our opinion, to be commended as a basis for such future co-operative action.

Policy Dividends.

One of the satisfying results of the strengthening situation is that the Company has seen its way clear to commence an upward movement in the bonus distribution to policyholders. A change in the annual distribution date from January 1st to July 1st, became effective in 1930. This change was made in order that the Company might properly consider the preceding year's basis of policy dividend distribution. For some time after this decision, however, it was felt wise, owing to the general business situation, to make dividend declarations for only six months at a time.

The Company during this period directed its efforts to further strengthening of its reserves situation in order to be ready to meet any undue prolongation of low interest rates and other earning difficulties. Last July it was felt that while further strengthening of reserves should be continued, sufficient had been accomplished to warrant the Company in once more placing its dividend distribution on an annual basis and at the same time conserva-

tively increasing the basis of distribution.

Dividend Outlook.

We are happy to say that the results being recorded with you today are such that we can look forward, as the President has indicated, to a further movement upward. You may rest assured, however, that in such decisions your Directors will keep in mind as they have in the past that there must never be the slightest element of doubt as to the safety factors involved. The times are still far from certain. He would be a bold man who would say today that the business horizon is now free of dangers. The necessity of providing surety against the uncertainties of the future will be borne in mind, but at the same time surplus funds will be distributed so far as the Directors feel can be done with these safety factors assured beyond peradventure.

Thrift and Living Standards.

The principles of life insurance have their source in foresight and thrift. Throughout our ninety years the world has made great progress toward not only increasing but equalizing standards of living. During the whole of that period, and until recently, the doctrine of thrift has been preached as one of the most important factors in building sound world conditions. Life insurance has taken a prominent part in advancing this doctrine.

Times such as the last few years always tend to unusual suggestions. One of the newer theories appears antagonistic to thrift since it seems to uphold an advocacy of unlimited spending as a relief for business distress.

Saving Essential.

We still believe, however, that no real progress can take place without thrift. It alone, we believe, creates the necessary capital by which the modern world functions. Some apparently believe that this capital can be created by the waving of a wand or the signing of a document. Surely it does not require argument to realize that thought, energy and Nature's products are the factors which together yield human beings the necessities of life; that production in excess of the present necessities of the producer yields the gradual growth of what has come to be called "Capital." Hence all capital is the result of that self-restraint which we call thrift.

This must be so just as much where the state controls so-called capital and credit as where it is individually controlled. Gradually, the results of thrift are turned into factories, machines, transportation facilities and other factors of production and these become the new tools which enable thought and energy to still further enlarge the production of the necessities of life from the products of Nature. In other words, if standards of living are to be more highly developed, thrift must make available still further aggregations of capital.

Types of Thrift.

This thrift today embraces the acquisition of material things such as life insurance, life annuities, savings bank balances, and the purchase of bonds, stocks and homes. Through the acquisition of these we all take our part in building up the instruments of production. This has developed to such an extent that today, for instance, on this continent over one-third of the entire population holds life insurance policies through which a still larger proportion of the total population is vitally interested in the safety of these aggregations of capital which have resulted from their combined thrift.

These policyholders and their dependents have a vital interest in conditions affecting their companies and should—and do, we believe—watch carefully the political and economic suggestions which may be made for changing the conditions under which we all live. Many of the suggestions of today may be well-intentioned but, at the same time, through misjudgment, may be aiming at the destruction of what we have provided to safeguard our future.

Average Policy Small.

The policyholders of life insurance companies form one of the largest individual groups interested in these matters. They are not composed of wealthy people alone, but are an aggregation of people of all types of means. On the average, the thrift stake of each is small, has been acquired at very considerably sacrifice, and is needed in the future to provide food, clothing and shelter for themselves and their dependents. They are largely the great middle-class of our countries—that substantial solid group on which the stability of every nation must rest.

There must, of course, be times of stress and strain in the life of a nation, just as in family life, and so long as human nature remains there will be times of excess and distress both social and financial. Such periods will need necessary corrections from time to time, but these adjustments can always be effected in due course by the everyday transactions between honest debtors and reasonable creditors.

Necessity of Good Faith.

There has been a recent tendency in some quarters to disregard the honesty of debt. It would be in the interests of all if the necessity for honesty and good faith in all dealings were more clearly emphasized. To our policyholders, whose funds must of necessity be invested in a wide selection of obligations, honesty and good faith in daily dealings is a matter of vital importance.

The greatness of a nation is not in its material possessions but in the character of its people. Where these precepts, which we believe are taught in our homes, are carried into the market places and made effective in our daily business, men can live and trade together in confidence, and material well-being must naturally follow. We do not need laws restricting business. What we do need is adherence to the Golden Rule and certain necessary policing regulations and laws to punish dishonesty.

Voluntary Adjustment.

There has been a much used expression that something must be done about debts. It is well to emphasize

that a great deal has already been done about debt and that the relationships of debtors and creditors have been adjusted to a greater extent than most people think, and certainly more than radical talkers admit.

Most of these adjustments have been arrived at voluntarily and being the outcome of mutual respect and good faith have tended to expand proper relationships between debtors and creditors and to improve business. We have only to look back and see the municipal situations which have been corrected and the company reorganizations which have been arranged, permitting active and profitable business to be resumed, with consequent improvement in employment. In the agricultural field the same is true. Many thousands of farmers can testify to the improved position of affairs arrived at by compromises and adjustments with their creditors, based on the necessities of the case.

As a general thing the country has resisted unsound and unfair practices. The future will be brighter if we continue to solve our problems by individual treatment of each and not by any attempts to do these things by blanket legislation; by forced conversion schemes; by inflation; or by any other plan which benefits a debtor unjustly at the expense of a creditor.

Royal Commission.

Last year at our annual meeting, in discussing Canadian troubles, we, as others had already done, urged having these difficulties studied by a representative and confidence-creating Commission. Such a Commission has been appointed and we and our Canadian policyholders are tremendously interested in the problems which are being placed before it.

It is a sobering thought that there will in all probability be placed before the present generation of voters the necessity of making a decision affecting the whole future of Canada as a confederation of Provinces. It is an encouraging thought, however, to remember that seventy years ago our predecessors in this country experienced a similar test, and at every fireside at that time the question was undoubtedly being discussed as to whether a great country should be established or a number of small disintegrated communities perpetuated. We know the almost unanimous answer of that date.

A Critical Period.

It would not be in order to discuss the problem here in detail but we believe that our Canadian policyholders will realize that Canada today faces a crisis. If decisions are reached by reason of which the country will continue along the lines of progress of the last seventy years, it will again be because we, each and everyone, during this critical period think of Canada as a whole and of the problems of Canada as a whole.

As we said last year, sectional prejudice should have no place at this time. We must at this crisis prove ourselves broadminded. We must think beyond the local and even the Provincial fields. Personally, I am convinced that Canadians will meet the situation with the same regard for the general interest as has been so often evidenced before, from the days of Confederation to the present.

MINES

(Continued from Page 19)

Earned surplus at present exceeds \$11,000,000. It is recognized the dividend could be doubled without cutting into reserves.

Macassa showed net profits of \$616,337 during 1937, or 23 cents per share. Profits for the final quarter were at a rate of 26 cents per share annually.

Moneta has shown average mill heads of over \$25 per ton since going into production at the beginning of January.

Pickle Crow produced \$2,270,100 during 1937 from 98,000 tons of ore for an average of \$22.25 per ton. Current output is averaging about \$215,000 per month, and the plant is up to a rate of very close to 10,000 tons per month.

Denison Nickel estimates 288,200 tons of ore developed to a depth of 550 ft., grading .57 p.c. copper, .69 nickel, together with .06 platinum and .02 palladium. Grade may be readily doubled through sorting of waste, it is estimated.

Leitch Gold milled 2,098 tons during December and produced \$47,586 in gold for an average of \$22.70 per ton.

Central Patricia has in view a substantial increase in mill capacity later in the current year.

Toburn has increased operating profits to a rate of \$1,250 per day. The company will pay a bonus of one cent per share together with the regular quarterly dividend of two cents per share on Feb. 22.

Bralorne closed 1937 with an ore reserve of \$8,000,000. The average grade is \$15.75 per ton. The output during 1937 was \$2,907,728, compared with \$2,231,420 in 1936. Net profits have not been officially announced, but the indications point toward a profit of over 90 cents per share.

Normetal is operating at 220 tons daily, handling ore which carries close to 3 p.c. copper and over 8 per cent zinc. A moderate operating profit is being realized.

O'Brien Gold Mines produced 36,000 ounces of gold during the fiscal year ended Oct. 2, 1937. During the year, development placed 26,700 ounces of gold in sight. The company started the fiscal year with ore estimated to contain 90,248 ounces of gold, but closed the year with estimates reduced to 65,000 ounces. This decline of 25,000 ounces was based upon failure of development to keep pace with current output, together with a substantial reduction in reserves as a result of a re-estimate of ore above the 9th level.

COMPANY REPORTS

CROWN LIFE

"THE life insurance companies," said Hon. G. Howard Ferguson, president of the Crown Life Insurance Company in delivering his first official address at the company's annual meeting this week, "are great reservoirs of the nation's thrift. Their assets are the property of the multitude of citizens who comprise their membership. Their investment activity is widespread and lends strength to all phases of the national economy."

Dealing with the annual report presented at the meeting, Mr. Ferguson pointed to the breaking of several records. Insurance in force increased more than \$18 millions in 1937, the largest such gain in the company's history. Total insurance in force was \$188,299,886 at the close of 1937.

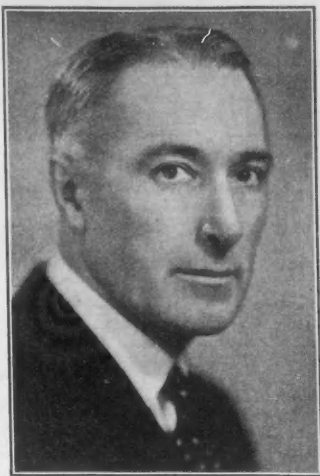
Assets increased over 13 per cent. to \$30,771,877, the gain of \$3,578,999 establishing a record for the company.

Reserves for all policy liabilities gained more than 13 per cent., amounting to \$27,167,872, compared with \$23,920,561 in 1936.

The company's report shows premiums received in cash were \$6,619,010 in 1937. Investment income amounted to \$1,361,185, and deposits of \$32,789 in the staff pension fund brought total cash income to \$8,012,894.

Death and disability claims paid amounted to \$910,025. Payments in settlement of matured and surrendered policies were \$1,110,292; cash dividends to policyholders \$258,663; annuity and other payments \$303,669, making total net payments to policyholders of \$2,582,654.

Surplus from the year's operations was \$597,967, of which \$284,745 was applied towards dividends paid and accrued to policyholders and shareholders, \$26,056 was written off ledger assets and \$111,391 was applied as a special addition to policyholders' reserve. The balance of \$175,775 was added to the free surplus which now stands at \$1,483,912, the highest in the company's history.



STEPHEN A. HEWARD, formerly with National City Co. as manager, and with A. J. Wright & Co. and Abbott, Proctor & Paine, members of the New York Stock Exchange, who has become associated with J. R. Timmins & Co., members of the Toronto Stock Exchange.

CONTINENTAL LIFE

AN INCREASED rate of growth and a continued strengthening of its position were the features of the annual report of the Continental Life Insurance Company presented at its annual meeting. John W. Hobbs, President, presided.

Business in force, including retirement annuities, was increased during the year by \$1,751,804 to bring the total at Dec. 31st to \$40,121,265. Business written and reinstated in 1937 was \$437,164 higher than in 1936, a gain of 6.9 per cent.

A higher average rate of interest earned on investments and a reduction in operating cost ratio were features of particular note.

Total assets were substantially increased by the sum of \$321,799 to bring the total to \$9,139,241. Net reserves for policy and annuity contracts were increased during the year to \$7,875,571.

Net premium income amounted to \$1,186,657 while income from other sources, interest, rents, etc., amounted to \$551,680, a total of \$1,738,337.

Payments to living policyholders under matured contracts during the year amounted to \$201,544, payments to annuitants were \$22,623 and payments to beneficiaries under death claims were \$207,412. Total payments to policyholders and beneficiaries amounted to \$870,517.

HURON AND ERIE

THE seventy-fourth annual report of Huron and Erie Mortgage Corporation shows deposits at \$9,051,042, an increase of more than \$94,000 during 1937. Net profits for the year amounted to \$308,397, and after payment of dividends and providing for Government and municipal taxes, the sum of \$91,794 was carried forward as undivided profits, an increase in this account of \$11,990 having been made.

The sum of \$1,254,644 represents amount of real estate held for sale, and it includes properties held under power of sale.

Mortgage loans stand at \$33,593,570, such investments having been reduced during 1937 by \$657,000. It is

understood that the average loan on the corporation's books is only \$4,303.

A high percentage of liquidity is maintained by the corporation. Its holdings of Government and municipal bonds total \$4,702,818, and in addition cash on hand and in banks totals \$856,780.

The Canada Trust Company, managed and controlled by Huron and Erie, also experienced a prosperous year. More than 98 per cent. of the capital stock of the Canada Trust Company is owned by Huron and Erie.

Debentures issued in Canada total \$26,357,805, and sterling debentures totalling \$2,233,970 are held by investors in Great Britain. Sterling debenture stock stands at \$198,740.

Provisions for Dominion and Provincial taxes set aside out of the earnings of the corporation for the past year have increased from \$35,000 to \$65,000.

The paid-in capital and reserve fund of the corporation totalling \$6,500,000 remains unchanged.

Annual meeting of the shareholders of Huron and Erie will be held Feb. 9 at the head office in London, Ont.

DOMINION LIFE

THE annual statement of the Dominion Life Assurance Company indicates gratifying progress for the year 1937. The report covering the company's operations in its 49th year reveals an increase in assets of over \$3,000,000, making a total in excess of \$36,700,000.

Ford S. Kumpf, President and Managing Director of the company, drew attention to the fact that insurance issued and revived, including deferred annuities, reached a total of \$23,207,536, which, exclusive of group insurance, is an increase of \$1,595,240 over 1936.

Over 70 per cent. of payments fulfilling the company's contracts—\$2,725,434—was paid to living policyholders, indicating that an increasing total of life insurance funds is being dispensed in the form of Endowments or Retirement Income Plans.

Income for the year was \$8,354,117, while receipts exceeded disbursements by a sum of \$3,832,689.

The increase of business in force of over \$8,900,000, bringing the total up to \$172,936,447, was a source of gratification to the Board of Directors, and a testimony to the ability of the company's field organization.

CANADA LIFE

CANADA Life Insurance Company secured a 21.7 per cent. increase in new paid-for business and revivals during 1937. The total of new business was \$69,431,228, an increase of \$12,300,000 over 1936 which resulted in improvement in every country in which the company operates. It is stated that in each of the last five months of 1937 sales were in excess of those in the preceding month and that December volume was the largest of any month since February, 1932.

Volume of assurance in force increased to \$819,385,545 from \$814,131,652 while assets were increased to \$259,339,738, a new all-time high, from \$252,513,476 in 1936 after providing for a write-off of \$605,614 and using valuations lower than those permitted by the Dominion Insurance Department. Policy reserves total \$231,336,275 and surplus and special reserves \$10,285,640. It is stated that cancellations were \$3,500,000 lower than in 1936 and the percentage of preventable terminations to business in force was the most favorable experienced since 1920.

Total net income dropped to \$38,049,701 from \$39,240,910 due to decrease in renewal premiums and annuity considerations. Payments to policyholders, annuitants and beneficiaries dropped to \$23,514,631 from \$26,434,535.

Interest earned on investments in 1937 was lower than in 1936, 4.16 per cent. as compared with 4.32 per cent. The company's ledger assets total \$250,889,694 as compared with \$244,068,770 in 1936 and \$239,629,633 in 1935.

LONDON LIFE

A MOST gratifying report to its more than half a million policyholders has just been released by the London Life Insurance Company, following its sixty-third annual meeting. Summing up the position of the company, Edward E. Reid, Managing Director, declared "as the years pass, confidence mounts in the soundness of the basis upon which our business is carried on, and with the background of this accumulated experience, we may fully expect great things in the company's future development."

The story of the year in as far as it can be told by figures is as follows: new insurance issued amounted to \$88,553,751, not including revivals or annuities. The total insurance in force is now \$574,248,130. The gain for the year was \$32,830,733, which

is the largest increase for the past eight years.

The assets of the company increased by \$8,344,338, and are now \$117,445,684. Each separate investment, whether mortgage, bond or other asset, has been carefully reviewed and specific investment reserves have been set up of \$4,500,000, calculated to provide for any impairment in security.

The company has maintained its stringent basis for determining its liabilities. After providing for all policy dividends earned to the policy anniversary in 1938, the London Life holds as further protection for its policyholders the sum of \$14,139,754 in Free Surplus, and Reserves beyond the legal requirements, not including the Specific Investment Reserves.

The rate of interest earned on invested assets was 5.07 per cent. The mortality experience of the company was again favorable.

DOMINION BANK

WITH an increase of \$5,303,900 in deposits and investment in current loans and discounts higher by \$7,419,858, the Dominion Bank reports net profit of \$801,839 in the year ended December 31, 1937, which is equal to \$11.45 per share. In 1936 net profit was \$776,278, equal to \$11.09 per share. On capital, reserve and profit and loss surplus the bank earned 5.43 per cent in 1937. Dividends amounting to 10 per cent on paid up capital were continued during the year.

Deposits show an increase to \$117,782,320 from \$112,478,420 with government deposits slightly lower, non-interest bearing deposits up to \$36,286,541 from \$32,977,965 and interest-bearing deposits up to \$80,630,032 from \$78,617,908. Notes of the bank in circulation are down \$42,000 to \$5,528,741.

Assets total \$144,049,658 as compared with \$138,956,386 at the end of 1936 and \$134,123,806 in 1935. The most outstanding change in assets is the increase in current loans and discounts which are up to \$41,516,254 from \$34,096,397. Cash assets, including notes of and deposits with the Bank of Canada and cheques on other banks, are up to \$27,567,007 from \$26,289,534. The ratio of cash assets to public liabilities is 21.72 per cent.

Immediately available assets, which includes cash assets, total \$93,363,826, or 72 per cent. of public liabilities.

BANK OF NOVA SCOTIA

THE 106th annual statement of the Bank of Nova Scotia shows a substantial increase in deposits, now at an all-time year-end high in the history of this century-old bank, together with strong liquid position.

Reflecting the upward trend in business generally, the bank shows a satisfactory increase in earnings. They amount to \$1,982,140, up \$55,454 over last year, after deducting Dominion and Provincial taxes amounting to \$460,481. Out of earnings the bank paid dividends amounting to \$1,440,000, contributed \$180,000 to Officers' Pension Fund, wrote \$250,000 off bank premises and carried \$112,140 to profit and loss account, making the latter figure \$915,456.

Deposits are up nearly \$4,000,000 over last year-end figures. Cash assets, consisting of current coin, legal, notes of and deposits with the Bank of Canada, notes of other



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The Old Canadian Company Established 1866

HOWARD W. PILLOW President

CHARLES G. COWAN Vice-Pres. & Man. Dir.

G. HAROLD BURLAND Sec. Treas.

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1110 Bank of Hamilton Bldg. TORONTO

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357 BAY ST. - TORONTO

HIGHER ACCIDENT RATE

means HIGHER POLICY RATES

banks, United States and other foreign currencies, amount to \$31,788,847—12.1 per cent of total liabilities to the public, compared with 11.6 last year. Readily available or quick assets amount to \$184,353,687, or 70.3 per cent of liabilities to the public compared with 71 per cent last year. This strong liquid position is characteristic of the bank's statement for many years.

Investments, all shown at not exceeding market value, are higher by \$3,867,950. Call loans are down \$6,

137,122, a reflection of decreased activity in the stock and bond market. Total current loans, that is, including those in and out of Canada, as well as loans to Provinces and municipalities, are up \$4,715,280. The increase is almost wholly in current loans to business enterprises, an indication of the improvement in conditions generally during the past year.

Total assets of the bank now stand at \$299,479,702, increase of \$2,520,435 and another all-time year-end high in its history.

BUSINESS AND MARKET FORECAST

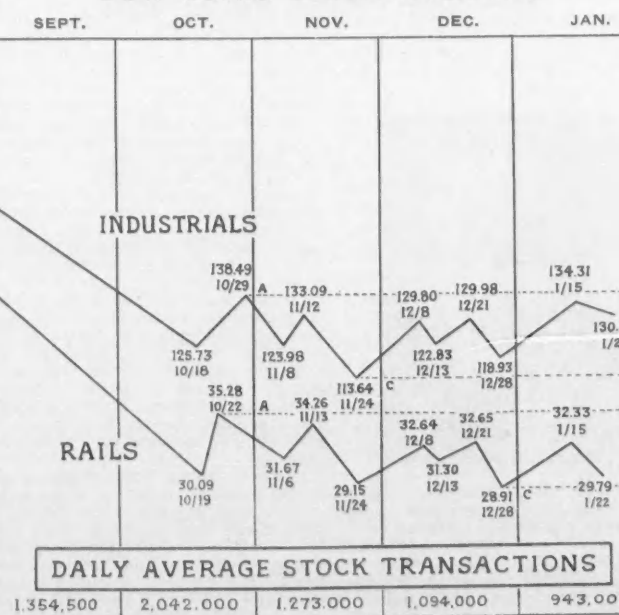
(Continued from Page 17)

specifically, at 125.75 on the Dow-Jones industrials, 30.09 on the rails; high points on October 21 and 22, respectively, at 135.48 on the industrial average, 35.28 on the rail average. Since that occasion, one or another of the averages has broken its critical upper or lower point, but in each instance the other average has always withheld confirmation by refusing (except fractionally, and hence inconclusively, as on November 24) to act likewise. Sooner or later the averages will JOINTLY effect decisive penetrations of their important upper or lower limits established during the course of the trading range (see dotted lines A and C or price graph) thus pointing the direction of the next important movement.

As to technical recovery, at some point in every decline a rebound can be counted upon to cancel three-eighths or more of such decline. While, as Mr. Dow stated, the point in a decline at which the rebound will get under way cannot be determined, the further a decline runs the more the certainty of successfully trading on such rebound. Undoubtedly this knowledge has been a buoyant force since October. For illustration: A trader taking on a line of securities at or near the bottom of the trading range (say at 118 on December 28) had the expectancy of a minimum technical rebound to 143, a maximum rebound to 162; whereas, should prices break under the line he could dispose of positions at prices not greatly under where he purchased.

Turning to the market's more immediate movement, the industrial average has recently been able to move above the resistance area established in December, but the rails, on two attempts, have failed to confirm. Subsequent weakness has developed, with volume quite mild. The minor movement is thus caught between the low points established on December 28 at 28.91 on rails, 118.93 on the industrials, and the high points of more recent making at 32.65 on the rail average, 134.35 on the industrial average. Breaking of these limits by both averages, up or down, will call for another testing of the more important upper or lower limits of the three-month trading range.

DOW JONES STOCK AVERAGES



DAILY AVERAGE STOCK TRANSACTIONS

1,354,500	2,042,000	1,273,000	1,094,000	943,000
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Crown Life Record of Unbroken Progress and Stability Continued During 1937

	1936	1937
Assets	\$	\$
First Mortgages on Real Estate.....	31,464,276.00	32,185,644.00
Government and Municipal Bonds..	34%	
Public Utility and Industrial Bonds..	9%	
Preferred and Common Stocks...	5%	
Loans on Company's Policies.....	12%	
Home Office and Other Real Estate..	2%	
Cash and Other Assets.....	6%	
	100%	
New Policies Issued		
Insurance in Force	170,268,583.00	188,299,886.00
Cash Income		
	7,836,444.21	8,012,984.83
Assets		
	27,192,878.62	30,771,877.96
Free Surplus		
	1,308,137.33	1,483,912.23

Average Rate of Interest Earned 5.17%

CROWN LIFE INSURANCE COMPANY

Established 1900

Home Office Toronto

Hon. G. Howard Ferguson

President

H. R. Stephenson

General Manager

TORONTO BRANCH OFFICES: Crown Life Bldg., 55-59 Yonge St.,

M. Kaplan & Son Agency, 48 Yonge St.

91st Canada Life Report Reveals Marked Progress

A. N. Mitchell Emphasizes Importance of Political and Economic Developments to Policyholders and Those Dependent on Them.

At the 91st Annual Meeting of the Canada Life Assurance Company, held in the Head Office at Toronto, the results of a very successful year were reviewed by Mr. Leighton McCarthy, K.C., President, and Mr. A. N. Mitchell, Vice-President and General Manager.

In presenting the annual report, Mr. McCarthy stated in part:

I feel confident that the Policyholders and Shareholders will share the satisfaction which your Directors and the members of the Executive feel in regard to the Ninety-first Annual Report of this Company, which I now have the honor to present.

Canada, during the last twelve months has reasonably well maintained the buoyancy predicted for her. She, however, appears to be suffering somewhat in her confidence, probably due to the recession of business which seems to have taken place during the last few months in the United States and to a lesser extent in Canada, supplemented by the grave international disturbances which are and have been for some time on the world's horizon.

Practise Golden Rule.

If the peoples of the various nations of the world would more readily practise the Golden Rule—internationally, in dealing with each other, and internally, between Labor and Capital—the problems, international and internal, that are causing so much distress and lack of confidence and faith would be more easily solved.

The people are getting themselves off the back of municipalities; municipalities are getting themselves off the back of the Province or State, and the Province or State are getting themselves off the back of the Federal Government. Thus as they continue increasingly to do so, will all of us find our burdens lighter, for the more heavily the people lean on Government for support, the more heavily Government must lean on the people for the very support which is demanded of it. It all comes from the people at last, but in an unnecessarily costly and demoralizing way.

Reserve Policy.

The unwise and unfair legislation referred to by me last year remains on the Statutes, and the international horizon still remains clouded. Your Executive and Directors therefore, notwithstanding the buoyant feeling above expressed, believe it to be the course of wisdom to continue to maintain and strengthen the reserves against such conditions as have been created, until they are further cleared up, and they are placed in a position to distribute with safety the fruits of the recovery which undoubtedly, despite occasional setbacks, is taking place.

As Mr. Mitchell will explain to you, your Directors felt justified in increasing the dividends to policyholders last July, and have provided in these accounts for a further increase this year, should they deem it wise to do so.

The Balance Sheet which has been submitted today indicates that your Company is fully benefiting by the increased business, industrial and mineral development. As a consequence, I assume without doubt that you will regard the Statement submitted as a satisfactory one.

In the course of our day-to-day operations, I obtain an intimate knowledge of the Company's affairs, and have no hesitation in assuring our Policyholders and our Shareholders that this Company's position has never been more stable and sound, and that it is equipped with an eminently well qualified staff and facilities fully adequate to meet the demands of its business.

Mr. Mitchell's Address

In addressing the meeting Mr. A. N. Mitchell, Vice-President and General Manager, spoke as follows:

During 1937 the Company passed another important milestone in its history—its 90th anniversary. It takes pride not only in the material accomplishments of that period but also in the traditions that have been established for fair and equitable dealing.

These traditions constantly remind today's employees that they are working to further establish the reputation of the first life insurance company organized in Canada and the eighth to be organized on this continent.

Our predecessors helped to establish the standards of the business. The desire of the present personnel is not only to maintain but, if possible, to elevate those standards.

What those ninety years have meant to Canada is exemplified when we remember that the year of the Company's founding, 1847, was two years prior to the mob in Montreal which burned the Parliament Buildings of the newly united Provinces of Upper and Lower Canada and stoned the then Governor-General, Lord Elgin, because of the signing of the Rebellion Losses Bill. It was seventeen years before those memorable conferences in 1864 in Charlottetown and the City of Quebec, which first discussed Confederation. It was almost forty years before railways carried population and trade into our Western Provinces.

Co-operative Effort.

The thought which guided a group of people, twenty years before a united Canada was born, to join in an effort to protect themselves and their beneficiaries against economic



Leighton McCarthy, K.C., President, and A. N. Mitchell, Vice-President and General Manager, of the Canada Life Assurance Company, who addressed shareholders and policyholders at the Company's ninety-first annual meeting.



A Record of Achievement

New paid-for insurance in 1937 amounted to \$69,431,228—an increase of \$12,394,821, or 21.7%, over the previous year. Gains were registered in every country served by the Canada Life.

Direct written insurance in force, excluding re-insurance from other companies and annuities, increased over \$10,250,000. Total insurance in force is \$819,385,545.

Assets stand at the all-time high of \$259,339,738, an increase of more than \$6.8 millions.

Reserves held to meet policies now in force total \$231,336,275, \$4.7 millions higher than in 1936.

Surplus funds and special reserves have increased to \$10,185,640.

Experience in regard to preventable terminations in 1937 was the most favorable since 1920.

Payments to policyowners, annuitants and beneficiaries in 1937 amounted to \$23,514,630. Of this amount, \$15,649,158, or 66%, was distributed to living policyowners and annuitants.

Since 1847, the Company has paid to or accumulated for policyowners, annuitants and beneficiaries, more than \$650 millions—over \$50 millions more than it has received in premiums.

Approximately 700,000 policy contracts have been written by the Company since the first policy was issued in 1847.

Dividends to policyowners have been declared for every year without exception over the past 89 years. The total amounts to \$104,600,000, which is 74.2% of the Company's total death claims paid to date.

distress, has developed tremendously in the meantime. It would be difficult to appraise the advantage this thought held not only for the group which produced it, and for those who later adopted it, but for Canada as a whole.

Through the thrift of this group and their later associates, and through this desire to protect their dependents and to provide for themselves in their own old age, Canada has been helped to furnish its educational facilities, build its homes, develop its agriculture, evolve its industries, pave its roads, construct its towns and cities, carry on its federal, provincial and municipal governments, and in thousands of ways to help construct the nation of today.

Benefits Exceed Relief Payments.

Other groups of citizens have meanwhile come together in co-operative effort in many similar companies. Some conception of what these have meant to Canada is had from a look at the recent years of depression. From 1929 to 1936 the life insurance companies have paid out in Canada to their policyholders and beneficiaries (not including loans on policies) the tremendous sum of one billion one hundred and thirty-five million dollars. This amount, so far as can be ascertained from Government statistics, exceeds the total paid for relief by the federal, provincial and municipal governments of the country during that period.

Investments Abroad.

Policyholders and beneficiaries in the United States and the British Isles were also receiving similar help during this troublesome period. Moreover, in these countries, and here, this help was after all only a small section of the values being yielded by this co-operative movement. Further billions of the accumulated funds were being invested by the companies in these countries to help finance governments and municipalities, industry, homes, agriculture and commerce. One can only imagine how much more disastrous these years could have been without the development of this co-operation.

It is a great pleasure at the close of these ninety years of this Company to find its activities still evidencing the energy of youth and to find the head office and field staffs of the Company showing increasing ambition and effectiveness on its behalf.

It is encouraging also to find on this 90th anniversary that the selection and training of field representatives is a matter of increasing concern. This is a justifiable concern moreover, because the increasing complexity attendant upon the winding up of estates in these days has made constantly heavier demands upon the equipment of life insurance field representatives.

Large Policy Payments.

During the year \$23,514,000 was paid out to policyholders and beneficiaries. These figures further emphasize those important favorable results before referred to which accrue both to our policyholders and to the countries in which we do business, from the thrift practised by the constituents of this and similar companies. At no time in the history of life insurance has there been a period in which the business has been better able to demonstrate its usefulness to the body politic than during these recent years.

Once more considering the fact that continuation of low interest rates has determined the Company to continue its conservative policy in connection with accepting single premium and annuity considerations, the increased assets has been most satisfactory.

Valuation Conservative.

The valuation of the assets has again also been treated on a most conservative basis. It has been our constant contention that the fluctuating market value of sound bonds should not be taken into consideration in arriving at the status of an insurance company, which purchases these securities to satisfy long date contracts. Accordingly, our assets again come before you at their book value, which in the case of sound bonds with fixed maturities is an amortized value and considerably less in the aggregate than would be the case if market values were discussed.

Our relatively small holdings of defaulted and depreciated securities are written down in conformity with what we believe to be their intrinsic worth. Our mortgage business has again been revalued and ample reserves, we believe, provided to meet contingencies that may arise. We have also still further strengthened the position of overdue and accrued interest on mortgages and have written down the principal of mortgages in accordance with a strict valuation made by our experts on the individual properties.

We might point out that the contingency reserve of \$2,000,000, as well as a substantial portion of a floating reserve of \$1,450,000, can be properly regarded as safeguarding our mortgage investments.

Profits on Sales.

During the year, we realized an excess of \$410,000 above our book values in connection with assets sold. This, of course, includes a substantial amount of recoveries on securities previously written down. It also, however, includes a very considerable sum due to the foresight of our treasury department in their method of dealing with gilt-edged securities. We have felt it wise, however, to use the total amount of this profit and

recovery, together with about \$200,000 in addition, to write down other investments. Much of this we trust will also be recovered when these investments are sold, mature, or are replaced otherwise. In the meantime, these securities are made ready for any readjustments that may be devised for them in any reorganizations brought about.

Special Reserves.

Despite this conservative valuation of our assets, our total special reserves have been increased to \$10,185,640. These include not only provision for policy dividends, but the special contingency reserve referred to before of \$2,000,000 and an unassigned surplus of \$5,013,640, which is over half-a-million dollars in excess of the same item last year. These surplus funds and special reserves are, of course, in addition to the substantial sums to which we have previously referred, which have been valued in arriving at a conservative valuation of our assets and also do not include the large amount by which our strict provision for policy liabilities exceeds any government requirement.

Interest Rate.

We pointed out last year that including in our yearly revenue cash interest only would probably tend to stabilize the rate during these years of low interest earnings on new investments. This effect seems to have been accomplished in 1937 since the rate for that year is 4.24 per cent, as against 4.26 per cent for the year 1936.

The year has naturally been a difficult one from the standpoint of cash interest collections in certain sections of our business. The almost complete drought in Saskatchewan naturally affected collections from that province. Furthermore, many excellent securities held on our books at the end of 1936 have been refinanced at lower rates through the call clauses in the bonds, while new investments, of course, have necessarily had to be made at the lower prevailing rates.

Encouraging Features.

There were, of course, offsetting features in Manitoba and Alberta. It is very encouraging indeed in Alberta to find such a large proportion of borrowers, where crops were more or less satisfactory, disregarding the legalized moratorium and meeting their obligations. It should also be encouraging to the borrowers of that province that the lending companies as a whole have been so generally taking advantage of the more favorable circumstances of this year's crop to get mortgage loans there readjusted in a vast number of individual cases where difficulties have been encountered.

Those fearful of the attitude of mind in our Western Provinces must be greatly encouraged to find how largely the Western borrower is demonstrating that he is a basically sound risk. We all hope and pray that the better moisture content which the land there carried over at the end of 1937 may forecast a generally better condition in 1938. If Providence brings about such a result, the evidence of 1937 would indicate that many of the difficulties will disappear.

Prospects in Saskatchewan.

Another encouraging report comes from our managers in Saskatchewan and is to the effect that there are still a large number of capable farmers and farmers' sons ready to take on more land as soon as the situation is such as to encourage the feeling that conditions will safely produce seed and feed and provide a surplus to buy machinery, so that they can lessen their cost by working larger areas.

Once the drought period is past, one problem that will arise for governments and mortgage companies will be to see that these men are enabled to carry out their desires and assist in the future stabilization of the Western situation. This does not mean that unsuitable areas should be thrown into grain production but that a sane co-operating service by all parties should produce situations whereby the future developers of the West may be assured of continuing their farming operations in the West under sound economic conditions. The present plans of the Dominion and Saskatchewan governments are, in our opinion, to be commended as a basis for such future co-operative action.

Policy Dividends.

One of the satisfying results of the strengthening situation is that the Company has seen its way clear to commence an upward movement in the bonus distribution to policyholders. A change in the annual distribution date from January 1st to July 1st, became effective in 1930. This change was made in order that the Company might properly consider the preceding year's basis of policy dividend distribution. For some time after this decision, however, it was felt wise, owing to the general business situation, to make dividend declarations for only six months at a time.

The Company during this period directed its efforts to further strengthening of its reserves situation in order to be ready to meet any undue prolongation of low interest rates and other earning difficulties. Last July it was felt that while further strengthening of reserves should be continued, sufficient had been accomplished to warrant the dividend distribution on an annual basis and at the same time conserva-

tively increasing the basis of distribution.

Dividend Outlook.

We are happy to say that the results being recorded with you today are such that we can look forward, as the President has indicated, to a further movement upward. You may rest assured, however, that in such decisions your Directors will keep in mind as they have in the past that there must never be the slightest element of doubt as to the safety factors involved. The times are still far from certain. He would be a bold man who would say today that the business horizon is now free of dangers. The necessity of providing surety against the uncertainties of the future will be borne in mind, but at the same time surplus funds will be distributed so far as the Directors feel can be done with these safety factors assured beyond peradventure.

Thrift and Living Standards.

The principles of life insurance have their source in foresight and thrift. Throughout our ninety years the world has made great progress toward not only increasing but equalizing standards of living. During the whole of that period, and until recently, the doctrine of thrift has been preached as one of the most important factors in building sound world conditions. Life insurance has taken a prominent part in advancing this doctrine.

Times such as the last few years always tend to unusual suggestions. One of the newer theories appears antagonistic to thrift since it tends to uphold an advocacy of unlimited spending as a relief for business distress.

Saving Essential.

We still believe, however, that no real progress can take place without thrift. It alone, we believe, creates the necessary capital by which the modern world functions. Some apparently believe this capital can be created by the waving of a wand or the signing of a document. Surely it does not require argument to realize that thought, energy and Nature's products are the factors which together yield human beings the necessities of life; that production in excess of the present necessities of the producer yields the gradual growth of what has come to be called "Capital." Hence all capital is the result of that self-restraint which we call thrift.

This must be so just as much where the state controls so-called capital and credit as where it is individually controlled. Gradually, the results of thrift are turned into factories, machines, transportation facilities and other factors of production and these become the new tools which enable thought and energy to still further enlarge the production of the necessities of life from the products of Nature. In other words, if standards of living are to be more highly developed, thrift must make available still further aggregations of capital.

Types of Thrift.

This thrift today embraces the acquisition of material things such as life insurance, life annuities, savings bank balances, and the purchase of bonds, stocks and homes. Through the acquisition of these we all take our part in building up the instruments of production. This has developed to such an extent that today, for instance, on this continent over one-third of the entire population holds life insurance policies through which a still larger proportion of the total population is vitally interested in the safety of these aggregations of capital which have resulted from their combined thrift.

These policyholders and their dependents have a vital interest in conditions affecting their companies and should—and do, we believe—watch carefully the political and economic suggestions which may be made for changing the conditions under which we all live. Many of the suggestions of today may be well-intentioned but, at the same time, through misjudgment, may be aiming at the destruction of what we have provided to safeguard our future.

Average Policy Small.

The policyholders of life insurance companies form one of the largest individual groups interested in these matters. They are not composed of wealthy people alone, but are an aggregation of people of all types of means. On the average, the thrift stake of each is small, has been acquired at very considerably sacrifice, and is needed in the future to provide food, clothing and shelter for themselves and their dependents. They are largely the great middle-class of our countries—that substantial solid group on which the stability of every nation must rest.

There must, of course, be times of stress and strain in the life of a nation, just as in family life, and so long as human nature remains there will be times of excess and distress, both social and financial. Such periods will need necessary corrections from time to time, but these adjustments can always be effected in due course by the everyday transactions between honest debtors and reasonable creditors.

Necessity of Good Faith.

There has been a recent tendency in some quarters to disregard the honesty of debt. It would be in the interests of all if the necessity for honesty and good faith in all dealings were more clearly emphasized. To our policyholders, whose funds must of necessity be invested in a wide selection of obligations, honesty and good faith in daily dealings is a matter of vital importance.

The greatness of a nation is not in its material possessions but in the character of its people. Where these precepts, which we believe are taught in our homes, are carried into the market places and made effective in our daily business, men can live and trade together in confidence, and material well-being must naturally follow. We do not need laws restricting business. What we do need is certain necessary policing regulations and laws to punish dishonesty.

Voluntary Adjustment.

There has been a much used expression that something must be done about debts. It is well to emphasize

that a great deal has already been done about debt and that the relationships of debtors and creditors have been adjusted to a greater extent than most people think, and certainly more than radical talkers admit.

Most of these adjustments have been arrived at voluntarily and being the outcome of mutual respect and good faith have tended to expand proper relations between debtors and creditors and to improve business. We have only to look back and see the municipal situations which have been corrected and the company re-organizations which have been arranged, permitting active and profitable business to be resumed, with consequent improvement in employment. In the agricultural field the same is true. Many thousands of farmers can testify to the improved position of affairs arrived at by compromises and adjustments with their creditors, based on the necessities of the case.

As a general thing the country has resisted unsound and unfair practices. The future will be brighter if we continue to solve our problems by individual treatment of each and not by any attempts to do these things by blanket legislation; by forced conversion schemes; by inflation; or by any other plan which benefits a debtor unjustly at the expense of a creditor.

Royal Commission.

Last year at our annual meeting, in discussing Canadian troubles, we, as others had already done, urged having these difficulties studied by a representative and confidentially created Commission. Such a Commission has been appointed and we and our Canadian policyholders are tremendously interested in the problems which are being placed before it.

It is a sobering thought that there will in all probability be placed before the present generation of voters the necessity of making a decision affecting the whole future of Canada as a confederation of Provinces. It is an encouraging thought, however, to remember that seventy years ago our predecessors in this country experienced a similar test, and at every fireside at that time the question was undoubtedly being discussed as to whether a great country should be established or a number of small disintegrated communities perpetuated. We know the almost unanimous answer of that date.

A Critical Period.

It would not be in order to discuss the problem here in detail but we believe that our Canadian policyholders will realize that Canada today faces a crisis. If decisions are reached by reason of which this country will continue along the lines of progress of the last seventy years, it will again be because we, each and everyone, during this critical period think of Canada as a whole and of the problems of Canada as a whole.

As we said last year, sectional prejudice should have no place at this time. We must at this crisis prove ourselves broadminded. We must think beyond the local and even the Provincial fields. Personally, I am convinced that Canadians will meet the situation with the same regard for the general interest as has been so often evidenced before, from the days of Confederation to the present.

MINES

(Continued from Page 19)

Earned surplus at present exceeds \$11,000,000. It is recognized the dividend could be doubled without cutting into reserves.

Macassa showed net profits of \$616,337 during 1937, or 23 cents per share. Profits for the final quarter were at a rate of 26 cents per share annually.

Moneta has shown average mill heads of over \$25 per ton since going into production at the beginning of January.

Pickle Crow produced \$2,270,100 during 1937 from 98,000 tons of ore for an average of \$22.25 per ton. Current output is averaging about \$215,000 per month, and the plant is up to a rate of very close to 10,000 tons per month.

Denison Nickel estimates 288,200 tons of ore developed to a depth of 550 ft., grading .57 p.c. copper, .69 nickel, together with .06 platinum and .02 palladium. Grade may be readily doubled through sorting of waste, it is estimated.

Leitch Gold milled 2,098 tons during December and produced \$47,586 in gold for an average of \$22.70 per ton.

Central Patricia has in view a substantial increase in mill capacity later in the current year.

Toburn has increased operating profits to a rate of \$1,250 per day. The company will pay a bonus of one cent per share, together with the regular quarterly dividend of two cents per share on Feb. 22.

Bralorne closed 1937 with an ore reserve of \$8,000,000. The average grade is \$15.75 per ton. The output during 1937 was \$2,907,728, compared with \$2,321,420 in 1936. Net profits have not been officially announced, but the indications point toward a profit of over 90 cents per share.

Normetal is operating at 220 tons daily, handling ore which carries close to 3 p.c. copper and over 8 per cent zinc. A moderate operating profit is being realized.

O'Brien Gold Mines produced 36,000 ounces of gold during the fiscal year ended Oct. 2, 1937. During the year, development placed 26,700 ounces of gold in sight. The company started the fiscal year with ore estimated to contain 90,248 ounces of gold, but closed the year with estimates reduced to 65,000 ounces. This decline of 25,000 ounces was based upon failure of development to keep pace with current output, together with a substantial reduction in reserves as a result of a re-estimate of ore above the 9th level.

COMPANY REPORTS

CROWN LIFE

"THE life insurance companies," said Hon. G. Howard Ferguson, president of the Crown Life Insurance Company in delivering his first official address at the company's annual meeting this week, "are great reservoirs of the nation's thrift. Their assets are the property of the multitude of citizens who comprise their membership. Their investment activity is widespread and lends strength to all phases of the national economy."

Dealing with the annual report presented at the meeting, Mr. Ferguson pointed to the breaking of several records. Insurance in force increased more than \$18 millions in 1937, the largest such gain in the company's history. Total insurance in force was \$188,299,886 at the close of 1937.

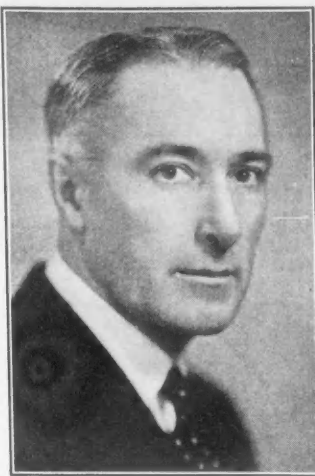
Assets increased over 13 per cent. to \$30,771,877, the gain of \$3,578,999 establishing a record for the company.

Reserves for all policy liabilities gained more than 13 per cent., amounting to \$27,167,872, compared with \$23,920,561 in 1936.

The company's report shows premiums received in cash were \$6,619,010 in 1937. Investment income amounted to \$1,361,185, and deposits of \$32,789 in the staff pension fund brought total cash income to \$8,012,984.

Death and disability claims paid amounted to \$910,025. Payments in settlement of matured and surrendered policies were \$1,110,292; cash dividends to policyholders \$258,668; annuity and other payments \$303,669, making total net payments to policyholders of \$2,582,654.

Surplus from the year's operations was \$597,967, of which \$284,745 was applied towards dividends paid and accrued to policyholders and shareholders, \$26,056 was written off ledger assets and \$111,391 was applied as a special addition to policyholders' reserve. The balance of \$175,775 was added to the free surplus which now stands at \$1,483,912, the highest in the company's history.



STEPHEN A. HEWARD, formerly with National City Co. as manager, and with A. J. Wright & Co. and Abbott, Proctor & Paine, members of the New York Stock Exchange, who has become associated with J. R. Timmins & Co., members of the Toronto Stock Exchange.

CONTINENTAL LIFE

AN INCREASED rate of growth and a continued strengthening of its position were the features of the annual report of the Continental Life Insurance Company presented at its annual meeting. John W. Hobbs, President, presided.

Business in force, including retirement annuities, was increased during the year by \$1,751,804 to bring the total at Dec. 31st to \$40,121,265. Business written and reinstated in 1937 was \$437,164 higher than in 1936, a gain of 6.9 per cent.

A higher average rate of interest earned on investments and a reduction in operating cost ratio were features of particular note.

Total assets were substantially increased by the sum of \$321,799 to bring the total to \$9,139,241. Net reserves for policy and annuity contracts were increased during the year to \$7,875,571.

Net premium income amounted to \$1,186,657 while income from other sources, interest, rents, etc., amounted to \$551,680, a total of \$1,738,337.

Payments to living policyholders under matured contracts during the year amounted to \$201,544, payments to annuitants were \$22,623 and payments to beneficiaries under death claims were \$207,412. Total payments to policyholders and beneficiaries amounted to \$870,517.

HURON AND ERIE

THE seventy-fourth annual report of Huron and Erie Mortgage Corporation shows deposits at \$9,051,042, an increase of more than \$94,000 during 1937. Net profits for the year amounted to \$308,397, and after payment of dividends and providing for Government and municipal taxes, the sum of \$91,794 was carried forward as undivided profits, an increase in this account of \$11,990 having been made.

The sum of \$1,254,644 represents amount of real estate held for sale, and it includes properties held under power of sale.

Mortgage loans stand at \$33,593,570, such investments having been reduced during 1937 by \$657,000. It is

understood that the average loan on the corporation's books is only \$4,303.

A high percentage of liquidity is maintained by the corporation. Its holdings of Government and municipal bonds total \$4,702,818, and in addition cash on hand and in banks totals \$856,780.

The Canada Trust Company, managed and controlled by Huron and Erie, also experienced a prosperous year. More than 98 per cent. of the capital stock of the Canada Trust Company is owned by Huron and Erie.

Debentures issued in Canada total \$26,357,805, and sterling debentures totalling \$2,233,970 are held by investors in Great Britain. Sterling debenture stock stands at \$198,740.

Provisions for Dominion and Provincial taxes set aside out of the earnings of the corporation for the past year have increased from \$35,000 to \$65,000.

The paid-in capital and reserve fund of the corporation totalling \$6,500,000 remains unchanged.

Annual meeting of the shareholders of Huron and Erie will be held Feb. 9 at the head office in London, Ont.

DOMINION LIFE

THE annual statement of the Dominion Life Assurance Company indicates gratifying progress for the year 1937. The report covering the company's operations in its 49th year reveals an increase in assets of over \$3,000,000, making a total in excess of \$36,700,000.

Ford S. Kumpf, President and Managing Director of the company, drew attention to the fact that insurance issued and revived, including deferred annuities, reached a total of \$23,207,536, which, exclusive of group insurance, is an increase of \$1,595,240 over 1936.

Over 70 per cent. of payments fulfilling the company's contracts—\$2,725,434—was paid to living policyholders, indicating that an increasing total of life insurance funds is being dispensed in the form of Endowments or Retirement Income Plans.

Income for the year was \$8,354,117, while receipts exceeded disbursements by a sum of \$3,832,689.

The increase of business in force of over \$8,900,000, bringing the total up to \$172,936,447, was a source of gratification to the Board of Directors, and a testimony to the ability of the company's field organization.

CANADA LIFE

CANADA Life Insurance Company secured a 21.7 per cent. increase in new paid-for business and revivals during 1937. The total of new business was \$69,431,228, an increase of \$12,300,000 over 1936 which resulted in improvement in every country in which the company operates. It is stated that in each of the last five months of 1937 sales were in excess of those in the preceding month and that December volume was the largest of any month since February, 1932.

Volume of assurance in force increased to \$819,385,545 from \$814,131,652 while assets were increased to \$259,339,738, a new all-time high, from \$252,513,476 in 1936 after providing for a write-off of \$605,614 and using valuations lower than those permitted by the Dominion Insurance Department. Policy reserves total \$231,336,275 and surplus and special reserves \$10,285,640. It is stated that cancellations were \$3,500,000 lower than in 1936 and the percentage of preventable terminations to business in force was the most favorable experienced since 1920.

Total net income dropped to \$38,049,701 from \$39,240,910 due to decrease in renewal premiums and annuity considerations. Payments to policyholders, annuitants and beneficiaries dropped to \$23,514,631 from \$26,434,535.

Interest earned on investments in 1937 was lower than in 1936, 4.16 per cent. as compared with 4.32 per cent. The company's ledger assets total \$250,889,694 as compared with \$244,068,770 in 1936 and \$239,629,633 in 1935.

LONDON LIFE

A MOST gratifying report to its more than half a million policyholders has just been released by the London Life Insurance Company, following its sixty-third annual meeting. Summing up the position of the company, Edward E. Reid, Managing Director, declared "as the years pass, confidence mounts in the soundness of the basis upon which our business is carried on, and with the background of this accumulated experience, we may fully expect great things in the company's future development."

The story of the year in as far as it can be told by figures is as follows: new insurance issued amounted to \$88,553,751, not including revivals or annuities. The total insurance in force is now \$574,248,130. The gain for the year was \$32,830,733, which

is the largest increase for the past eight years.

The assets of the company increased by \$8,344,338, and are now \$117,445,684. Each separate investment, whether mortgage, bond or other asset, has been carefully reviewed and specific investment reserves have been set up of \$4,500,000, calculated to provide for any impairment in security.

The company has maintained its stringent basis for determining its liabilities. After providing for all policy dividends earned to the policy anniversary in 1938, the London Life holds as further protection for its policyholders the sum of \$14,139,754 in Free Surplus, and Reserves beyond the legal requirements, not including the Specific Investment Reserves.

The rate of interest earned on invested assets was 5.07 per cent. The mortality experience of the company was again favorable.

DOMINION BANK

WITH an increase of \$5,303,900 in deposits and investment in current loans and discounts higher by \$7,419,858, the Dominion Bank reports net profit of \$801,839 in the year ended December 31, 1937, which is equal to \$1.45 per share. In 1936 net profit was \$776,278, equal to \$1.09 per share. On capital, reserve and profit and loss surplus the bank earned 5.43 per cent. in 1937. Dividends amounting to 10 per cent. on paid up capital were continued during the year.

Deposits show an increase to \$117,782,320 from \$112,478,420 with government deposits slightly lower, non-interest bearing deposits up to \$36,286,541 from \$32,977,965 and interest-bearing deposits up to \$80,630,032 from \$78,617,908. Notes of the bank in circulation are down \$42,000 to \$5,528,741.

Assets total \$144,049,658 as compared with \$138,956,386 at the end of 1936 and \$134,123,806 in 1935. The most outstanding change in assets is the increase in current loans and discounts which are up to \$41,516,254 from \$34,096,397. Cash assets, including notes of and deposits with the Bank of Canada and cheques on other banks, are up to \$27,567,007 from \$26,289,534. The ratio of cash assets to public liabilities is 21.72 per cent.

Immediately available assets, which includes cash assets, total \$93,363,826, or 72 per cent. of public liabilities.

BANK OF NOVA SCOTIA

THE 106th annual statement of the Bank of Nova Scotia shows a substantial increase in deposits, now at an all-time year-end high in the history of this century-old bank, together with strong liquid position.

Reflecting the upward trend in business generally, the bank shows a satisfactory increase in earnings. They amount to \$1,982,140, up \$55,454 over last year, after deducting Dominion and Provincial taxes amounting to \$460,481. Out of earnings the bank paid dividends amounting to \$1,440,000, contributed \$180,000 to Officers' Pension Fund, wrote \$250,000 off bank premises and carried \$112,140 to profit and loss account, making the latter figure \$915,456.

Deposits are up nearly \$4,000,000 over last year-end figures. Cash assets, consisting of current coin, legals, notes of and deposits with the Bank of Canada, notes of other



BRITISH AMERICAN BANK NOTE COMPANY LIMITED

The Old Canadian Company Established 1866

HOWARD W. PILLOW President

CHARLES G. COWAN Vice-Pres. & Man. Dir.

G. HAROLD BURLAND Sec. Treas.

HEAD OFFICE: OTTAWA

262 Wellington Street

511 Place d'Armes MONTREAL

1119 Bank of Hamilton Bldg. TORONTO

THE WESTERN SAVINGS AND LOAN ASSOCIATION

HEAD OFFICE, WINNIPEG, MANITOBA.

AGENCY BUILDING 221A-8TH AVE. W.

McCALLUM-HILL BUILDING 411 AVENUE BUILDING

OFFICES:

EDMONTON, ALTA.

CALGARY, ALTA.

REGINA, SASK.

SASKATOON, SASK.

THE GENERAL ACCIDENT ASSURANCE COMPANY OF CANADA

and SCOTTISH CANADIAN ASSURANCE CORPORATION guaranteed by GENERAL Accident Fire and Life Assurance Corporation Limited 357 BAY ST. - TORONTO

HIGHER ACCIDENT RATE means HIGHER POLICY RATES

banks, United States and other foreign currencies, amount to \$31,788,847—12.1 per cent. of total liabilities to the public, compared with 11.6 last year. Readily available or quick assets amount to \$184,353,687, or 70.3 per cent. of liabilities to the public compared with 71 per cent. last year. This strong liquid position is characteristic of the bank's statement for many years.

Investments, all shown at not exceeding market value, are higher by \$3,867,950. Call loans are down \$6,

137,122, a reflection of decreased activity in the stock and bond market. Total current loans, that is, including those in and out of Canada, as well as loans to Provinces and municipalities, are up \$4,715,280. The increase is almost wholly in current loans to business enterprises, an indication of the improvement in conditions generally during the past year.

Total assets of the bank now stand at \$299,479,702, increase of \$2,520,435 and another all-time year-end high in its history.

BUSINESS AND MARKET FORECAST

(Continued from Page 17)

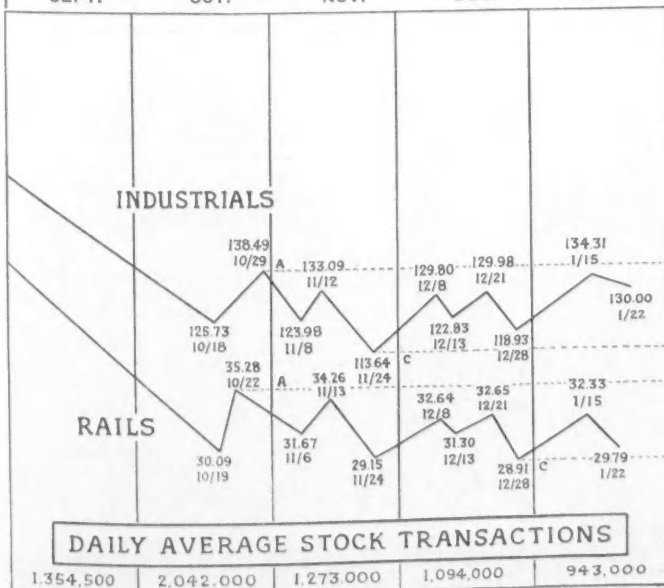
specifically, at 125.75 or the Dow-Jones industrials, 30.09 on the rails; high points on October 21 and 22, respectively, at 135.48 on the industrial average, 35.28 on the rail average. Since that occasion, one or another of the averages has broken its critical upper or lower point, but in each instance the other average has always withheld confirmation by refusing (except fractionally, and hence inconclusively, as on November 24) to act likewise. Sooner or later the averages will JOINTLY effect decisive penetrations of their important upper or lower limits established during the course of the trading range (see dotted lines A and C or price graph) thus pointing the direction of the next important movement.

As to technical recovery, at some point in every decline a rebound can be counted upon to cancel three-eighths or more of such decline. While, as Mr. Dow stated, the point in a decline at which the rebound will get under way cannot be determined, the further a decline runs the more the certainty of successfully trading on such rebound. Undoubtedly this knowledge has been a buoyant force since October. For illustration: A trader taking a line of securities at or near the bottom of the trading range (say at 118 on December 28) had the expectancy of a minimum technical rebound to 143, a maximum rebound to 162; whereas, should prices break under the line he could dispose of positions at prices not greatly under where he purchased.

Turning to the market's more immediate movement, the industrial average has recently been able to move above the resistance area established in December, but the rails, on two attempts, have failed to confirm. Subsequent weakness has developed, with volume quite mild. The minor movement is thus caught between the low points established on December 28 at 28.91 on rails, 118.93 on the industrials, and the high points of more recent making at 32.65 on the rail average, 134.35 on the industrial average. Breaking of these limits by both averages, up or down, will call for another testing of the more important upper or lower limits of the three-month trading range.

DOW JONES STOCK AVERAGES

SEPT. OCT. NOV. DEC. JAN.



Crown Life Record of Unbroken Progress and Stability Continued During 1937

	1936	1937
New Policies Issued		
First Mortgages on Real Estate.....	31,464,276.00	32,185,644.00
Insurance in Force		
Government and Municipal Bonds..	170,268,583.00	188,299,886.00
Public Utility and Industrial Bonds..		
Preferred and Common Stocks...	7,836,444.21	8,012,984.83
Loans on Company's Policies.....		
Home Office and Other Real Estate..	27,192,878.62	30,771,877.96
Cash and Other Assets.....		
Free Surplus		
	1,308,137.33	1,483,912.23

Average Rate of Interest Earned 5.17%

CROWN LIFE INSURANCE COMPANY

Established 1900

Hon. G. Howard Ferguson

President

H. R. Stephenson

General Manager

Crown Life Bldg., 55-59 Yonge St.,

TORONTO BRANCH OFFICES:

M. Kaplan & Son Agency, 48 Yonge St.



A *Million* DEPOSIT ACCOUNTS
DENOTE CONFIDENCE

BANK OF MONTREAL

Established 1817

MODERN, EXPERIENCED BANKING SERVICE
... the outcome of 120 years' successful operation



J. P. BICKELL AND GEO. H. ROSS

On behalf of the Partners

THOMSON AND MCKINNON

Members of the New York Stock Exchange

beg to announce

that as of January 3rd, 1938.

MR. BERNARD E. SMITH

of New York

was admitted as a General Partner,

and on the same date

MR. ALFRED ROGERS

of Toronto

withdrew as a General Partner

Montreal
New York

Toronto
Indianapolis

Winnipeg
Chicago

BRITAIN'S EXPORTS TO CHINA

British Industry and Trade Have Lost a Great Deal From Japanese War, and Stand to Lose Much More

BY GILBERT C. LAYTON

Saturday Night's Financial Correspondent in London

AFTER half a year of intensive military activity, the Nippo-Chinese war is as far as ever from conclusion. When it began, it bore all the indications of being one of the periodic forays which have for many years been part of the curriculum of the Japanese educational system for the Chinese. It soon became apparent, however, that to Japan the war was something much more than this. It represented at once the culmination of the Japanese policy of aggression towards China and a display of contempt for the opinion of that vast majority of western Europe which had not signed away its natural allegiance in a treaty with Japan.

The political implications were initially vastly more significant than the economic ones, for President Roosevelt early on took a firm stand. For the first time since the Great War the United States became determined to recognize and uphold its international obligations. Business men meanwhile were saying that slaughter in the East did not presage depression in the West, that Great Britain's prosperity would suffer no profound shock because of the preoccupation of Japan and China. They were soon proved wrong.

In November not a single pound of wool tops was sent to Shanghai, which centre had in November 1936 taken one million pounds. There came a sudden halt to the Chinese demand for capital goods, although developments earlier in the year had suggested that the country might in the process of her energetic recovery have become a market second to none for British heavy exports. And, in a different sphere, holders of bonds backed by the British Government and secured upon the Chinese customs began to fear that "arrangements" might become necessary. From the Japanese side too there

was a definite economic disadvantage, though it has been overlooked in the wave of popular indignation which swept Great Britain. Japan had, in fact, been a considerable buyer of certain British productions, notably those of engineering description.

A FEW figures serve to indicate the scope of the economic disintegration which has visited China. Her imports declined from 80.4 million dollars in September 1935 to 34.1 million dollars in the same month of last year. In October Shanghai's imports declined from 42.7 million dollars to 8.6 million dollars. It may be assumed that this depreciation has been accelerated in the intensified military activity of the last two months. It is interesting to observe that in August and September last, imports from Great Britain were reduced by nearly 60 per cent.; those from the U. S. A. by over 52 per cent.; those from Germany by nearly 70 per cent.; Japan still exported to China, but there was a decline of about 77 per cent. in the trade. It is reasonable to assume that a considerable further reduction has occurred since then, and the probability is that, apart from the U. S. A., no leading exporter is sending goods in any considerable quantity.

It is important to know what Great Britain has lost so far, and what is her potential loss if the war drags on, or if Japan achieves the victory. The Chinese market has always been favorably disposed towards the British exporter, by reason both of political affinity and of economic suitability. Lancashire and Yorkshire, respective homes of Great Britain's cotton and woollen industries, are suffering acutely from lack of eastern support, and the advantage which the British textile industries were supposed to gain as a result

of the regimentation of Japanese resources has not developed. Fewer castings for Chinese industry are being made in Sheffield; fewer ships are leaving British ports to carry goods to China, and fewer are employed by Chinese merchants.

China was the greatest potential market of all for British exports, and during the last year there had been a rapid extension of British interests within the country. The damage done to British interests in Shanghai and other centres of conflict runs into many millions.

The British government has therefore a double duty. It has the duty imposed upon all governments to hold to their obligations, which means that it is *ipso facto* in sympathy with China. It has also a duty towards its business men and towards the economic well-being of its people. Here again it is bound to support China, for British industry and trade have lost a great deal, and stand to lose more, from the war, while the very standard of living of the British people might be in danger if the Japanese pygmy were to bestir the Chinese Colossus.

Voters Should Be Taxpayers

(Continued from Page 17)

employees of all classes including those employed by the Hydro-Electric and Transportation Commissions and by the Board of Education. They probably represent 30,000 votes. The number of voters amongst the unemployed is not known but there are about 60,000 people on relief and it would be fair to assume they represent 30,000 votes. Leaving out altogether the tenant vote, there would appear to be more persons interested in maintaining high scales of municipal expenditure than there are landowners interested in economy. Bearing in mind that some landowners are in the opposite class because they are municipal employees or on relief, one understands readily why our elected representatives pay lip service to economy and devote their attention to the spending of money and the search for new sources of revenue. Not only are non-taxpayers entitled to the vote in overwhelming numbers, but many important taxpayers are disfranchised. Scores of millions of dollars of assessable property held by trustees are at the mercy of the electorate without those trustees being entitled to a voice in municipal affairs.

We have in a word gained a new kind of tyrant in the municipal field. It is the proletariat which demands that the rich shall pay, and loudly asserts that large assessments are the proof of riches. There is an obvious futility in the recurring exhortation to property-owners that they turn out and vote for the election of proper candidates at municipal elections. Experience has broken the morale of our most competent municipal administrators. They know the hopelessness of campaigns for efficient and frugal administration resting on the vote of the home-owner.

NOW nearly all the great battles of British political history have been fought on the question of taxation. The most elementary fact in the whole history of representative government has been the demand by the taxpayer that he shall control the destinies of government. Parliament began when the knights of the shire and burgesses insisted on their right to say whether and what tax revenues should be granted to the Sovereign. That is why supplies are under the control of the House of Commons, why the Army Act is passed for one year at a time only. It was resistance to taxation by a free people which cost Charles I his head. It was the stupid insistence on taxation which severed the United States from the British Empire. The Anti-Corn Law agitation and the Reform Bills of the 19th century came from the same source. It was at the bottom of the Rebellion of 1837 in Canada. And the constitution of Great Britain was shaken to its depths in 1909 over the Land Tax Act which brought Mr. Lloyd George into the limelight as a radical crusader.

The underlying motive has always been the same, control of the purse by the man who provides the funds. The cry has been "no taxation without representation." That was a natural cry. Today the scales have been turned in the municipal field. We have a new kind of tyrant, the



M. R. GOODERHAM, K.C., President of the Manufacturers Life Insurance Company, who presided at the recent 51st annual meeting of the company. New business of the company for 1937 was \$60,159,855, and the business in force at the end of the year amounted to \$556,535,261, showing a gain of \$23,995,553. Total income was \$32,155,456, showing an increase of \$1,441,642; total payments to policyholders, \$13,372,543. Total assets at end of 1937 were \$154,938,934, and the surplus over contingency reserve and all liabilities was \$3,742,928, showing an increase of \$413,755. The gross interest rate earned was 4.60%.

—Photo by "Who's Who in Canada."

non-taxpaying proletariat. It, too, must be brought under control. There is as much justice in the demand that there shall be no representation without taxation as ever there was in the old formula. Let the man who pays call the tune.

Let any person think this is an anti-social and reactionary view, let us remember that the proper objects of municipal government are business activities, and that, in respect of the moneys provided, municipality means, not the whole number of souls who live within municipal boundaries, but the struggling landowners who constitute no more than ten per cent. of the population. Let us remember that it will be only a very partial cure for our present tax disease if we relieve the symptoms by taking away burdens and placing them elsewhere without also ensuring that the electoral system has been so overhauled that the disease will not break out afresh. Let us remember also that, whatever specious reasons may now exist for an unrestricted franchise in municipal affairs, those reasons will not exist if municipal government is directed at the proper objects and is relieved from responsibility for services which make it the prey of the ardent and uncritical agitator of social reform.

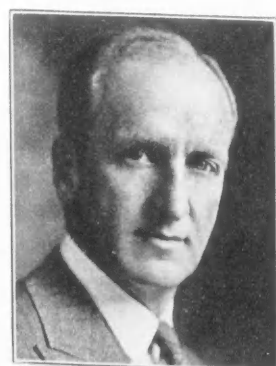
We shall then have less demand for costly harbor improvements and municipal airports and sentimental slum-clearance programs at the expense of the home-owner. We shall have at least a rational approach to questions of civic betterment and a balancing of costs against results.

ONLY an over-civilized people fails to recognize that citizenship carries with it responsibility. We have gone soft in our principles and have lost the traditions of pioneer ruggedness which made this country. In savage communities no boy is recognized as entitled to the dignity of a man's estate until he bears arms for the defence of his tribe. Duty goes with privilege. No man or woman has any moral claim to spend public moneys to which he does not contribute. It may be a day too late to urge that the franchise be taken away from any class of persons now enjoying the vote. Yet in 1936 Mr. Hepburn took away from income taxpayers any right to vote in municipal elections and fundamentally he was right. For unless the voter has a direct interest in and financial responsibility for the money his representatives spend, how can he be expected to care about economy and efficiency?

What is wanted and is here urged is that all persons who vote in municipal elections be themselves taxpayers. Why should not the mere presence of a name on the voters' list impose upon the voter, if he is not otherwise assessed and liable for taxes (note the double condition), a liability for a new kind of tax which might be called a franchise assessment? Such an assessment need not be the source of a burden to persons unable to bear it, but it should be large enough that those who do choose to bear it will be vitally interested in frugal municipal administration. The payment of the franchise tax should be a condition precedent to the exercise of voting rights. If the person assessed on the franchise roll chose not to pay he would simply be deprived of his vote. What impropriety or hardship is there in such a tax or in such a consequence of its non-payment?

Three things then are wanted if we are to have a sound municipal electorate: the giving of votes to all municipal taxpayers including trustees; the elimination from the municipal voters' roll of persons who receive their livelihood from the municipality, and the elimination of all persons who do not pay municipal taxes.

Without some such constructive measures we shall continue to see the hard-earned dollars of the taxpayer squandered and his home and property holdings jeopardized by people who make no conscious sacrifices and live in the cheerful confidence that they may order what they will, someone else will pay the reckoning.



A. MURRAY MCCRIMMON, who was recently tendered a dinner and presented with a handsome silver tea and coffee service by the employees of the Hydro-Electric Power Commission of Ontario, following his resignation of the offices of Secretary and Controller.

—Photo by "Who's Who in Canada."

74th Annual Financial Report

The Huron & Erie
MORTGAGE CORPORATION

Year Ended
December 31st, 1937

Assets	
Office Premises.....	\$ 2,000,000 00
At London (four buildings), Toronto, Winnipeg, Windsor, Chatham, St. Thomas and Hamilton.	
Real Estate held for Sale (including properties held under power of sale)	
Farm properties.....	\$532,045 81
City properties.....	722,598 88
	1,254,644 69
Mortgages and Agreements for Sale	
Principal and interest due and accrued.....	33,593,570 10
Securities—Including Accrued Interest	
Bonds of Great Britain, Dominion of Canada and Provinces of Canada.....	3,864,658 21
Bonds guaranteed by Dominion of Canada or the Provinces of Canada.....	442,206 67
Debentures of Canadian Municipalities, School Districts and Rural Telephone Companies in Canada.....	395,953 71
The unrealized assets of The People's Loan and Savings Corporation are held under an agreement, approved by the Lieutenant-Governor-in-Council, as security for liabilities of.....	917,528 95
Canada Trust Company Stock	
(Value on basis of reserve—\$1,704,675 00).....	1,557,555 00
Cash in Offices and in Chartered Banks.....	856,780 88
Total Assets.....	\$44,882,898 21

Liabilities	
To the Public—	
Canadian Debentures.....	\$26,357,805 81
Sterling Debentures.....	2,233,970 21
Sterling Debenture Stock	
(4% Perpetual).....	198,740 05
Deposits.....	9,051,042 02
Interest Accrued on Debentures and Deposits.....	334,545 82
	\$38,176,103 91
Provision for Dominion and Provincial Taxes.....	65,000 00
To the Shareholders—	
Capital Stock	
Subscribed.....	\$ 9,000,000 00
Fully Paid.....	4,000,000 00
Partly Paid.....	1,000,000 00
	\$ 5,000,000 00
Reserve Fund.....	1,500,000 00
Dividend declared payable 3rd January, 1938.....	50,000 00
Profit and Loss	
Balance carried forward.....	91,794 30
	6,641,794 30
Total Liabilities.....	\$44,882,898 21

36th Annual Financial Report

The CANADA TRUST COMPANY

Year Ended
December 31st, 1937

Managed and controlled by The Huron & Erie Mortgage Corporation

Assets	
Capital Account	
Real Estate held for Sale	
Farm properties.....	\$ 39,765 79
City properties.....	189,355 90
	229,121 69
Mortgages and Agreements for Sale	
Principal and interest due and accrued.....	1,079,014 14
Loans on Stocks and Bonds	
Principal and interest due and accrued.....	33,562 38
Securities, including accrued interest	
Bonds of Dominion of Canada.....	358,748 10
Cash in offices and in banks.....	131,165 44
Advances to Estates.....	53,930 00
Guaranteed Trust Account	
Mortgages and Agreements for Sale	
Principal and interest due and accrued.....	7,118,761 69
Loans on Securities, including accrued interest.....	62,411 31
Securities, including accrued interest	
Bonds of Dominion of Canada.....	289,056 31
Debentures of Canadian Municipalities, School Districts and Rural Telephone Companies in Canada.....	382,541 43
Cash in Banks.....	43,421 20
Estates, Trusts and Agencies Account	
Investments, and cash in chartered banks.....	8,339,128 21
Original assets of estates and agencies under administration by the Company (inventory value).....	15,414,827 83
Securities held for clients' Accounts.....	309,806 76
Total Assets.....	\$33,845,496 49

Liabilities	
Capital Account	
Capital Stock	
Subscribed.....	\$1,048,900 00
Fully paid.....	986,900 00
Partly paid.....	13,100 00
	\$ 2,048,900 00
Reserve Fund.....	750,000 00
Dividend declared payable January 3rd, 1938.....	50,000 00
Provision for Dominion and Provincial Taxes.....	28,000 00
Profit and Loss	
Balance carried forward.....	57,541 75
Guaranteed Trust Account	
Trust Funds for Investment.....	7,830,392 73
Interest accrued.....	65,799 21
Estates, Trusts and Agencies Account	
Trust funds invested and for investment or distribution.....	8,339,128 21
Original assets of estates and agencies under administration by the Company (inventory value).....	15,414,827 83
Securities held for clients' Accounts.....	309,806 76
Total Liabilities.....	\$33,845,496 49

Branch Offices in Six Provinces

Canada Trust Building, 14 King East, Toronto
Huron & Erie Building, Corner King & Hughson, Hamilton

London
Winnipeg

Montreal
Regina

Windsor
Edmonton

St. Thomas
Vancouver

Chatham
Victoria

